STATUTES OF CALIFORNIA

1975–76

REGULAR SESSION

1976 CHAPTERS

17 46 12 210

CHAPTER 1

An act to add Section 31255 to the Food and Agricultural Code, relating to animal fees.

[Approved by Governor February 6, 1976 Filed with Secretary of State February 6, 1976.]

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

SECTION 1. Section 31255 is added to the Food and Agricultural Code, to read:

31255. An animal control officer of any county, if so authorized by the board of supervisors of any such county, or an animal control officer of any city, if so authorized by the governing body of any city, may accept presentation of any specified credit card, as defined by the provisions of Title 1.3 (commencing with Section 1747), Part 4, Division 3 of the Civil Code, in payment of any fee or penalty provided for by this division or in payment for any license, fee, or fine or in payment of any other obligation owed to him for any amount of not to exceed fifty dollars ($50).

Such credit cards shall be accepted only if both of the following conditions are satisfied:

(a) The card issuer agrees to accept sales drafts from an animal control officer of such county or city.

(b) The cardholder agrees to pay, in addition to the normal fee, the rate of discount that the card issuer debits the department on acceptance of the sales draft.

CHAPTER 2

An act to amend Section 5302 of the Education Code, relating to public schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 6, 1976. Filed with Secretary of State February 6, 1976.]

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

SECTION 1. Section 5302 of the Education Code is amended to read:

5302. A child who has been lawfully admitted to the kindergarten, as defined by the State of California, maintained by a private or a public school in California or any other state, and who has completed one year therein shall be admitted to the first grade of an elementary school regardless of age, unless the parent or guardian of the child and the school district agree that the child may be retained in kindergarten for not more than an additional school year.

A child who has been lawfully admitted to a public school kindergarten or a private school kindergarten in California and who is judged by the administration of the school district, in accordance with rules and regulations adopted by the State Board of Education, to be ready for first-grade work may be admitted to the first grade at the discretion of the school administration of the district and with the consent of the child's parent or guardian regardless of age.

Where a child has been legally enrolled in the public schools of another district within or out of the state, he may be admitted to school and placed in the grade of enrollment in the district of former attendance, at the discretion of the school administration of the district entered.

No child shall be admitted to the first grade of an elementary school pursuant to this section unless the child is at least five years of age.

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

In order that the provisions of this act may take effect commencing with the 1976–77 school year and to provide the most orderly transition possible, it is essential that this act take immediate effect.

CHAPTER 3

An act to repeal Section 10751 of the Education Code, relating to pupil records, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 12, 1976. Filed with Secretary of State February 13, 1976]

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

SECTION 1. Section 10751 of the Education Code is repealed.

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

Chapter 816 of the Statutes of 1975 recodified the law regarding access to pupil records with the intent to resolve potential conflicts between California law and the provisions of Public Law 93-380 in order to insure the continuance of federal education funds to public educational institutions within the state. Such chapter in part repealed Section 10751 of the Educational Code, but a later enacted statute which amended the section preserved it. In order to preserve the legislative intent of Chapter 816 of the Statutes of 1975 and to

clarify the law regarding parental access to, and the confidentiality of, pupil records, in order to insure the continuance of federal education funds, at the earliest possible time, it is essential that this act take immediate effect.

CHAPTER 4

An act to repeal Sections 12537.2 and 12537.3 of the Government Code, relating to health care service plans, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 11, 1976. Filed with Secretary of State February 13, 1976]

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

SECTION 1. Section 12537.2 of the Government Code is repealed.

SEC. 2. Section 12537.3 of the Government Code is repealed.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Under the Knox-Keene Health Care Service Plan Act of 1975, which becomes operative July 1, 1976, responsibility for regulation of health care service plans is vested in the Commissioner of Corporations. The Knox-Mills Health Plan Act will be repealed on July 1, 1976, and in order that new duties imposed on regulation of health care service plans by the Attorney General by 1975 enactments do not continue beyond July 1, 1976, it is necessary that this act take immediate effect.

CHAPTER 5

An act to add Section 66455.7 to the Government Code, relating to tentative subdivision maps.

[Approved by Governor February 11, 1976 Filed with Secretary of State February 13, 1976]

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

SECTION 1. Section 66455.7 is added to the Government Code, to read:

66455.7. Within 10 days of the filing of a tentative map as provided in Section 66452, the clerk of the legislative body or advisory agency shall send a notice of the filing of the tentative map

to the governing board of any elementary, high school, or unified school district within the boundaries of which the subdivision is proposed to be located. Such notice shall also contain information about the location of the proposed subdivision, the number of units, density, and any other information which would be relevant to the affected school district. Such governing board may review the notice and may send a written report thereon to the agency required by law to approve such tentative map. If a written report is made by the governing board, the report shall indicate the impact of the proposed subdivision on the affected school district and shall make such recommendations as the governing board of the district deems appropriate. If a written report is made by the governing board, such report shall be returned within 20 working days of the date on which the notice was mailed to the school district for comment. In the event that the governing board of any such district fails to respond within the 20-day period, such failure to respond shall be deemed approval of the proposed subdivision.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

CHAPTER 6

An act to amend Section 31000 of the Government Code, relating to county contracts for special services.

[Approved by Governor February 12, 1976. Filed with Secretary of State February 13, 1976.]

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

SECTION 1. Section 31000 of the Government Code is amended to read:

31000. The board of supervisors may contract for special services on behalf of the following public entities: the county, any county officer or department, or any district or court in the county. Such contracts shall be with persons specially trained, experienced, expert and competent to perform the special services. The special services shall consist of services, advice, education or training for such public entities or the employees thereof. The special services shall be in financial, economic, accounting (including the preparation and issuance of payroll checks or warrants), engineering, legal, medical, therapeutic, administrative, architectural, or airport or building security matters. They may include maintenance or custodial matters if the board finds that the site is remote from available

county employee resources and that the county's economic interests are served by such a contract rather than by paying additional travel and subsistence expenses to existing county employees. The board may pay from any available funds such compensation as it deems proper for these special services. The board of supervisors may, by ordinance, direct the purchasing agent to enter into contracts authorized by this section within the monetary limit specified in Section 25502.5 of the Government Code.

CHAPTER 7

An act to amend Section 35400 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 11, 1976. Filed with Secretary of State February 13, 1976]

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

SECTION 1. Section 35400 of the Vehicle Code is amended to read:

35400. (a) No vehicle shall exceed a length of 40 feet.

(b) This section does not apply to:

(1) A vehicle used in a combination of vehicles when the excess length is caused by auxiliary parts, equipment, or machinery not used as space to carry any part of the load, except that the combination of vehicles shall not exceed the length provided for combination vehicles.

(2) A vehicle when the excess length is caused by any parts necessary to comply with the fender and mudguard regulations of this code.

(3) An articulated bus, except that such bus shall not exceed a length of 60 feet.

(4) An articulated trolley coach, except that such trolley coach shall not exceed a length of 50 feet.

(5) A semitrailer while being towed by a truck tractor, if the distance from the kingpin to the rearmost axle of the semitrailer does not exceed 38 feet, provided, that the semitrailer does not, exclusive of attachments, extend forward of the rear of the cab of the truck tractor.

(6) A bus when the excess length is caused by the projection of a front safety bumper or a rear safety bumper, or both. Such safety bumper shall not cause the length of the vehicle to exceed the maximum legal limit by more than one foot in the front and one foot in the rear. For purposes of this chapter, "safety bumper" means any device which may be fitted on an existing bumper or which replaces the bumper and is so constructed, treated, or manufactured so that

it absorbs energy upon impact.

(7) A bus when the excess length is caused by a device, located in front of the front axle, for lifting wheelchairs into the bus. Such a device shall not cause the length of the bus to be extended by more than 18 inches exclusive of any front safety bumper.

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

Inasmuch as pending contract negotiations for the acquisition by a rapid transit district of buses equipped with a device for lifting wheelchairs onto the bus depend on the authorization made by this act, it is necessary that this act take effect immediately.

CHAPTER 8

An act to add Section 19161.5 to the Business and Professions Code, relating to home furnishings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 12, 1976. Filed with Secretary of State February 13, 1976.]

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

SECTION 1. Section 19161.5 is added to the Business and Professions Code, to read:

19161.5. The Chief of the Bureau of Home Furnishings, subject to the approval of the Director of Consumer Affairs, may in his discretion exempt items of upholstered furniture which are deemed not to pose a serious fire hazard from the fire retardant requirements of Section 19161.

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

Recently enacted statutes will have the unintended result of imposing fire retardant requirements upon certain items of upholstered furniture which do not pose a serious fire hazard. In order that this unintended and unfair burden on manufacturers be alleviated as soon as possible, it is necessary that this act take immediate effect.

CHAPTER 9

An act relating to parks and recreation, and in this connection to amend and supplement the Budget Act of 1975 (Chapter 176, Statutes of 1975) by adding Section 2.8E thereto, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 11, 1976 Filed with Secretary of State February 13, 1976]

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

SECTION 1. Section 2.8E is added to the Budget Act of 1975 (Chapter 176, Statutes of 1975), to read:

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

Sec. 2.8E. The following sum of money, or so much thereof as may be necessary, unless otherwise provided herein, is hereby appropriated for expenditure during the 1975–76, 1976–77, and 1977–78 fiscal years. Appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1975–76 fiscal year. All such appropriations shall be paid out of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

LOCAL ASSISTANCE

Resources

390E—For grants to counties, cities, cities and counties, or special districts, pursuant to subdivision (a) of Section 5096.85 of the Public Resources Code, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 ..... $1,000,000
Unless otherwise provided herein, funds appropriated for the local grant project in this item is for acquisition, development, or both.

Project in Los Angeles County

Schedule:
(125.5) County of Los Angeles, Whittier Narrows $1,000,000

provided that none of the funds which are appropriated by this item for the project set forth herein shall be available for expenditure unless and until such project is submitted to, and reviewed and approved by, the Secretary of the Resources Agency pursuant to Section 5096.89 of the Public Resources Code.

Reversions

391E—The unencumbered balance of the appropriation made by Item 412A(100), Budget Act of 1974, as added by Chapter 1522, Statutes of 1974, shall revert to the unappropriated balance of the State Beach, Park, Recreational and Historical Facilities Fund of 1974. (County of Los Angeles, Otterbein Regional Park, acquisition, development, or both.)

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

The area served by Whittier Narrows has been identified as being deficient in recreational facilities in terms of generally recognized open space, population, and socioeconomic criteria. In order for the provisions of this act to be put into effect immediately to permit the early acquisition and development of this greatly needed park and recreational facility, it is necessary that this act go into immediate effect.

CHAPTER 10

An act to amend Section 68097.3 of the Government Code, relating to subpoenas.

[Approved by Governor February 17, 1976 Filed with Secretary of State February 18, 1976.]

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

SECTION 1. Section 68097.3 of the Government Code is amended to read:

68097.3. Whenever a member of the California Highway Patrol is not subject to a subpoena pursuant to Section 1989 of the Code of Civil Procedure, he may nevertheless be required to appear as a witness before any court located in this state, in any civil action or proceeding in connection with a matter regarding an event or transaction which he has perceived or investigated in the course of

his duties, by a subpoena requiring his attendance. The subpoena may be served by delivering a copy (1) to the member personally or to his immediate superior or (2) during usual office hours, at least five days prior to the date of the member's required attendance, to the person in charge of the office of the California Highway Patrol where the member filed his report of the event or transaction.

CHAPTER 11

An act to amend Section 15459.1 of the Education Code, relating to school building construction, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 17, 1976. Filed with Secretary of State February 18, 1976.]

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

SECTION 1. Section 15459.1 of the Education Code is amended to read:

15459.1. As of January 1, 1977, the persons employed as inspectors of record to inspect the construction, reconstruction or alteration of any school building shall be either (a) persons who are registered as construction inspectors in the divisions in which they are to be used, as defined by Section 9101 of the Business and Professions Code or (b) persons who are regularly employed for building code enforcement by the local agency having responsibility for such inspection, and are qualified to perform such inspections under the civil service laws or regulations of such local agency.

Persons employed as assistants to inspectors of record shall be registered construction inspectors or shall be enrolled as inspectors-in-training in the divisions in which they are to be used, as defined by Section 9101.1 of the Business and Professions Code. This section shall not apply to any architect, structural engineer, civil engineer, land surveyor, mechanical engineer, engineering geologist, or electrical engineer, who holds a valid certificate of registration in this state, insofar as he is practicing within the provisions of the law under which he is registered. This section shall not apply to an inspector approved by the Office of Architecture and Construction and employed pursuant to a particular building contract prior to January 1, 1978, during the performance of that building contract.

SEC. 2. The amendments to Section 15459.1 of the Education Code, made by Section 1 of this act, shall be construed as having been operative on and after January 1, 1976.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting such necessity are:

In order that essential school construction will not be delayed due to a shortage of building inspectors having qualifications which would otherwise be required on and after January 1, 1976, it is essential that this act go into effect immediately.

CHAPTER 12

An act to amend Section 16a of the Los Angeles County Flood Control Act (Chapter 755 of the Statutes of 1915), relating to the Los Angeles County Flood Control District.

[Approved by Governor February 17, 1976. Filed with Secretary of State February 18, 1976.]

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

SECTION 1. Section 16a of the Los Angeles County Flood Control Act (Chapter 755 of the Statutes of 1915) is amended to read:

Sec. 16a. The board of supervisors of the district may establish a revolving fund for the use of any official of the district by adopting a resolution setting forth: (a) the necessity for the fund, (b) the office, department or service for which the fund is available, and (c) the amount of the fund, which shall not exceed five thousand dollars ($5,000). Certified copies of the resolution shall be transmitted to the county auditor and county treasurer.

CHAPTER 13

An act to amend Section 6309 of the Labor Code, relating to industrial safety.

[Approved by Governor February 17, 1976 Filed with Secretary of State February 18, 1976.]

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

SECTION 1. Section 6309 of the Labor Code is amended to read:

6309. Whenever the division learns or has reason to believe that any employment or place of employment is not safe or is injurious to the welfare of any employee, it may, of its own motion, or upon complaint, summarily investigate the same, with or without notice or hearings. However, when the division secures a complaint from an employee, the employee's representative, or an employer of an employee directly involved in an unsafe place of employment, that his employment or place of employment is not safe, it shall summarily investigate the same as soon as possible, but not later than

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three working days after receipt of such complaint, with or without notice or hearing. Complaints of serious hazards and conditions posing imminent danger to life and safety of employees will take priority over other complaints placed earlier in time, but otherwise the time limitations herein are applicable. The division may enter and serve any necessary order relative thereto. The division is not required to respond to any complaint within such period where, from the facts stated in the complaint, it determines that the complaint is intended to willfully harass an employer or is without any reasonable basis.

The division shall keep complete and accurate records of any such complaints, whether verbal or written, and shall inform the complainant, whenever his identity is known, of any action taken by the division in regard to the subject matter of the complaint, and the reasons for such action. The division shall, pursuant to authorized regulations, conduct an informal review of any refusal by a representative of the division to issue a citation with respect to any such alleged violation. The division shall furnish the employee or the representative of employees requesting such review a written statement of the reasons for the division's final disposition of the case.

The name of any person who submits to the division a complaint regarding the unsafeness of an employment or place of employment shall be kept confidential by the division unless that person requests otherwise.

The requirements of this section shall not relieve the division of its requirement to inspect and assure that all places of employment are safe and healthful for employees. The division shall maintain the capability to receive and act upon complaints at all times.

CHAPTER 14

An act to amend Section 18711 of the Business and Professions Code, relating to boxing, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature February 19, 1976.
Filed with Secretary of State February 19, 1976.]

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

SECTION 1. Section 18711 of the Business and Professions Code is amended to read:

18711. (a) Except as provided in Section 18713 and subdivision (b) of this section, every club licensed under this chapter shall, within 72 hours after the determination of every contest, match, or exhibition for which an admission fee is charged and received, furnish to the commission a written report duly verified by one of its officers, showing the number of tickets issued or sold for such contest,

match, or exhibition, the amount of the gross receipts or value thereof, and the gross price charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of broadcasting and television rights of such contest, match, or exhibition, and without any deductions whatsoever for commissions, brokerage, distribution fees, advertising, or any other expenses, charges, and recoupments in respect thereto and such other matters as the commission may prescribe. Such club shall also, within the same time, pay to the commission a tax, exclusive of any federal taxes paid thereon, of one cent ($0.01) for each twenty cents ($0.20), or fraction thereof, of the amount paid for admission to such contest, match, or exhibition, and of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof, except that in no case shall such tax be less than twenty-five dollars ($25). The tax shall apply uniformly at the same rate to all clubs subject to the tax. The tax on admissions applies to the amount actually paid for admission, and not to the regular established price. No tax is due in the case of a person admitted free of charge.

(b) In the case of a professional championship boxing contest, there shall be deducted from the amount required to be reported showing the gross price charged directly or indirectly and no matter by whom received for the sale, lease, or other exploitation of television rights of the professional championship boxing contest, and upon which the tax required by subdivision (a) is applied, the gross price charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of television rights for viewing outside of this state, including viewing out of state by live telecasts, closed-circuit telecasts, and delayed tape telecasts. This subdivision shall be operative only until January 1, 1977, and as of such date shall have no force or effect.

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

In order to provide for continuity in provisions excluding the gross price paid for television rights for viewing outside the state from provisions levying a tax thereon, it is necessary that this act take immediate effect.

CHAPTER 15

An act to amend Sections 21100 and 21100.3 of the Vehicle Code, relating to motor vehicles.

[Approved Governor February 19, 1976. Filed with Secretary of State February 20, 1976.]

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

SECTION 1. Section 21100 of the Vehicle Code is amended to read:

21100. Local authorities may adopt rules and regulations by ordinance or resolution regarding the following matters:

(a) Regulating or prohibiting processions or assemblages on the highways.

(b) Licensing and regulating the operation of vehicles for hire and drivers of passenger vehicles for hire.

(c) Regulating traffic by means of traffic officers.

(d) Regulating traffic by means of semaphores or other official traffic control devices.

(e) Regulating traffic by means of any person given temporary appointment for such duty by the local authority whenever official traffic control devices are disabled or otherwise inoperable.

(f) Regulating traffic at the site of road or street construction or maintenance by persons authorized for such duty by the local authority.

(g) Licensing and regulating the operation of tow car service.

(h) Operation of bicycles, and, as specified in Section 21114.5, electric carts by physically disabled persons, or persons 50 years of age or older, on the public sidewalks.

No person shall, however, be appointed pursuant to subdivision (e) unless and until the local authority has submitted to the commissioner or to the chief law enforcement officer exercising jurisdiction in the enforcement of traffic laws within the area in which such person is to perform such duty, for review, a proposed program of instruction for the training of a person for such duty, and unless and until the commissioner or such other chief law enforcement officer approves the proposed program. The commissioner or such other chief law enforcement officer shall approve such a proposed program if he reasonably determines that the program will provide sufficient training for persons assigned to perform the duty described in subdivision (e).

SEC. 2. Section 21100.3 of the Vehicle Code is amended to read:

21100.3. It is unlawful for any person to disobey the traffic directions of a person appointed or authorized by a local authority to regulate traffic pursuant to subdivision (e) of Section 21100 when such appointee is wearing an official insignia issued by the local authority and is acting in the course of his appointed duties.

CHAPTER 16

An act to amend Section 125052 of the Public Utilities Code, relating to transit development, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 19, 1976. Filed with Secretary of State February 20, 1976.]

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

SECTION 1. Section 125052 of the Public Utilities Code, as added by Chapter 1188 of the Statutes of 1975, is amended to read:

125052. The board shall consist of the following areas:

(a) The Cities of Carlsbad, Escondido, Oceanside, San Marcos, and Vista.

(b) Camp Joseph H. Pendleton.

(c) The unincorporated areas of San Diego County lying within census tracts: 170.04 (but excluding that portion lying east of the eastern boundary of the City of San Diego), 171.00, 173.00, 174.01, 174.02, 175.00, 176.00, 177.00, 178.02, 185.02, 185.03, 186.01, 186.02, 188.00, 189.01, 189.02, 190.00, 191.01, 191.02, 192.01, 192.02, 193.00, 194.00, 196.00, 197.00, 198.00, 199.00, 200.01, 200.02, 200.03, 201.01, 201.02, 202.03, 202.05, 203.00, 204.00, 206.02, 207.01, 207.02, and 208.00, as set forth in the 1970 decennial census maps for the State of California on file with the Bureau of the Census, Department of Commerce, Washington, D.C.

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

Chapters 294 and 1188 of the Statutes of 1975 created two distinct transit development boards within San Diego County. Because overlapping census tracts were cited in each act, a technical jurisdictional conflict exists. This act corrects the errors. Therefore, it is necessary that this act go into immediate effect.

CHAPTER 17

An act to amend Sections 6501, 6503, 6504, 6505.1, 6506, 6508, 6509, 6550, 6551, 6552, and 6631 of, and to repeal Section 6553 of, the Streets and Highways Code, relating to Improvement Act of 1911.

[Approved by Governor February 19, 1976. Filed with Secretary of State February 20, 1976]

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

SECTION 1. Section 6501 of the Streets and Highways Code is amended to read:

6501. The treasurer shall mail a notice of sale to the owner of any property to be sold for nonpayment of either principal or interest upon any delinquent bond. The notice shall be sent by certified mail to the owner of the property as shown on the last equalized assessment roll and to any person whose name appears as an owner on the records of the county assessor's office which the county assessor will use to prepare the next assessor's roll. The notice shall be substantially in the following form:

"Notice of Sale of Property Delinquent for Nonpayment of Street Improvement Bond

"You are hereby notified that Bond _____, Series _____, representing a lien against Parcel Number _____ (or the legal description of the property in said bond) located at _____, for an improvement in the City (or County) of _____, is delinquent. Unless the amount of the unpaid principal on said bond, together with interest, penalties, and recordation fee for filing notice of pendency, is paid to the city (or county) treasurer on or before six months after the mailing of this notice, the date of which being this _____ day of _____, 19__, or unless the bond is reinstated as provided by Section 6631, the undersigned will proceed to advertise and sell the lot or parcel of land in the manner prescribed by law to satisfy the amount of the bond, interest, penalties, and costs."

SEC. 2. Section 6503 of the Streets and Highways Code is amended to read:

6503. After the expiration of six months from the time of mailing the notice and upon payment by the holder of the bond to the treasurer of the amounts specified in Section 6505.1, the treasurer shall publish a notice of sale in a newspaper of general circulation, published in the city in which the bond was issued, or if no newspaper is published in the city, then in some newspaper having general circulation therein.

SEC. 3. Section 6504 of the Streets and Highways Code, as amended by Chapter 1046 of the Statutes of 1975, is amended to read:

6504. The notice of sale shall be in substantially (filling in all blanks) the following form:

"Notice of Sale of Property Delinquent for Nonpayment of Bond No. _____, Series No. _____, Issued for the Improvement of _____

"Default having been made in the payment of the following named coupons (here fill in date and amounts of the coupon or coupons which have not been paid) and the holder of said bond

having demanded in writing that the Treasurer of the City (or County) of _____ proceed to advertise and sell the lot or parcel of land mentioned in said bond. Now, therefore, I give notice that I will on the _____ day of _____, 19__, at the hour of _____ o'clock __m., of said day, sell at public auction the lot or parcel of land mentioned in said bond, to wit: Parcel Number _____ (or the legal description of the property in said bond) located at _____, at (here state the place of sale, which shall be at the office of said treasurer or at some public place in said city (or county)) unless the amount due on said bond and the accrued interest thereon together with the costs set forth in the third paragraph of this notice are paid; and that I will so sell the same to the person who will pay the highest price for the entire lot or parcel of land hereinafter described, but not less than the full amount of unpaid principal, interest, and penalties on said bond, together with all costs. In the event there is no bidder for the total amount due on said bond, together with the accrued interest, penalties, and costs of sale, I shall deem said lot or parcel of land sold to the holder of said bond, as provided in Section 6509 of the Streets and Highways Code. The lot or parcel of land mentioned in said bond and to be sold, is more particularly described, to wit: (here set forth the description of the lot or parcel of land as contained in the bond). The amount due on said bond up to the date of this notice is as follows: Due on the principal thereof, _____ dollars ($_____); due on account of interest _____ dollars ($_____) (here set forth the interest calculated and compounded semiannually up to the date on which the notice is dated at the interest rate named in said bond upon the unpaid principal for the full period for which no interest has been paid) due on account of penalties _____ dollars ($_____). Total amount due on said bond (here set forth the total of the foregoing items).

"In order to avoid this sale, payment of the total amount above named will be required together with the additional interest accruing up to the date of payment and the following costs: (a) the cost of recording pendency of foreclosure as provided in Section 3121 of the Streets and Highways Code; (b) if incurred, costs of obtaining an abstract of title or title search; (c) the cost of publication of the notice of sale incurred before such payment; and (d) the sum of three dollars ($3) for ascertainment by the treasurer of the name and address of the property owner, as shown on the last equalized roll for taxes, and any person whose name appears as owner on the records of the county assessor's office which the county will use to prepare the next assessor's roll. The bond may be reinstated and the sale avoided upon payment of the amounts due, interest, penalties, and costs in the manner provided in Sections 3121 and 6631 of the Streets and Highways Code.

"In the event of sale, such sale will include interest in addition to the above total amount due accruing up to the date of sale, the costs provided in Section 6505.1 of the Streets and Highways Code, and the

fee for recording the certificate of sale. The _____ (here name newspaper) is designated as the newspaper in which this notice shall be published.
Dated _____

_____
Treasurer of the City (or County)
of _____"

SEC. 4. Section 6505.1 of the Streets and Highways Code is amended to read:

6505.1. The treasurer shall be under no obligation to publish or mail notice of sale as provided in Sections 6503, 6504 and 6505 unless the bondholder shall deposit with the treasurer prior to the issuance of such notice the following sums and documents:

(a) A receipt from the county recorder for the cost of recording notice of pendency of foreclosure as provided by Section 3121.

(b) The cost of title search, if incurred.

(c) The sum of three dollars ($3) for ascertainment by the treasurer of the name and address of the property owner, as shown on the last equalized roll for taxes, and any person whose name appears as owner on the records of the county assessor's office which will be used by the county to prepare the next assessor's roll.

(d) Cost of publication of the notice of sale.

(e) Treasurer's fee for issuance of certificate of sale which is hereby fixed at seven dollars ($7).

(f) Sheriff's travel fees, as provided in Section 26746 of the Government Code.

SEC. 5. Section 6506 of the Streets and Highways Code is amended to read:

6506. Any affidavit of publication setting forth a copy of the publication and stating that the publication was made in the newspaper named on specified dates shall be filed with the treasurer and shall be prima facie evidence of the publication of the notice.

SEC. 6. Section 6508 of the Streets and Highways Code is amended to read:

6508. If at any time prior to the sale any person interested in the lot or parcel of land described in the notice of sale pays the whole amount of the unpaid principal of the bond, the interest thereon compounded semiannually up to the date of such payment, at the rate named in the bond upon the amount of the principal remaining unpaid for the whole period for which interest has not been paid, and all penalties which have accrued, together with the sums specified in Section 6505.1, except for the fee for the issuance of the certificate of sale, the bond shall be canceled. If redemption of the bond is made by the property owner prior to publication of notice of sale, but after the treasurer has incurred any expense for such publication, the property owner shall pay to the treasurer such expense incurred by the treasurer.

SEC. 7. Section 6509 of the Streets and Highways Code, as amended by Chapter 1046 of the Statutes of 1975, is amended to read:

6509. If such payment is not made, the sale shall be made as advertised, and the lot or parcel described in the bond shall be sold to the purchaser who will pay the highest price for the entire lot or parcel of land to be sold, but not less than the amount due on the bond, together with accrued interest, penalties, and all of the sums specified in the notice of sale that are due in the event of sale. In the event there are no bidders, a certificate of sale for the entire lot or parcel of land described in the bond shall be issued to the bondholder after surrender of the bond, including all unpaid principal and interest coupons, to the treasurer and after payment to the treasurer of the fee of the recorder for recording such certificate, and, if incurred, and if no deposit was made pursuant to Section 6500, the cost of an abstract of title or title search of the real property sold under foreclosure; and also at that time the costs of the sale and other fees previously paid to the treasurer pursuant to Section 6505.1 shall become forfeited. In the event the bondholder refuses to accept the certificate of sale for the entire lot or parcel under the terms and conditions required by this section, the sale shall be canceled, and the costs and fees deposited by the bondholder shall become forfeited.

SEC. 8. Section 6550 of the Streets and Highways Code is amended to read:

6550. In order to obtain a deed, the purchaser of the property or his assignees shall, 30 days prior to the expiration of the time of redemption, or 30 days before the date of his application for a deed, request the treasurer to send a written notice by certified mail, postage prepaid, to the owner of the property purchased, stating his intention to apply for a deed to the owner of the property purchased. The term "owner" as used herein is the name and address of the property owner as shown on the last equalized roll for taxes, and any person whose name appears as owner on the records of the county assessor's office, which the county will use to prepare the next assessor's roll. At the time of making such request, the purchaser or his assignee shall pay to the treasurer the following sums:

(i) For issuance of the notice and mailing the same by certified mail and for cost of preparation of the affidavit required by Section 6552, the sum of three dollars ($3).

(ii) For search of the last equalized assessment roll to determine the name and address of the owner, as hereinabove defined, the sum of three dollars ($3).

(iii) For posting the notice as hereinafter provided, the fees provided by Sections 26725 and 26746 of the Government Code.

The notice shall state:

(a) That the property has been sold to satisfy the bond lien;

(b) The date of sale;

(c) The date, number and series of the bond;

(d) The amount then due, and

(e) The time when the right of redemption will expire, or when the purchaser will apply for a deed.

The treasurer shall immediately, upon such request being made and payment of the fees hereinbefore provided, send a copy of the notice addressed to the owner of the property purchased as shown on the last equalized roll for taxes, and any person whose name appears as owner on the records of the county assessor's office, which the county will use to prepare the next assessor's roll. Such notice shall be mailed at least 30 days before the expiration of the time for redemption, or 30 days before the purchaser applies for a deed. The treasurer also shall post a copy of such notice in a conspicuous place upon the property, if a survey is not required to identify and locate the property. Any travel fees incurred in attempting to post such notice shall be charged in the same amount as is provided for an actual posting in Section 26746 of the Government Code. Such notice shall be posted at least 30 days before the expiration of the time for redemption.

SEC. 9. Section 6551 of the Streets and Highways Code is amended to read:

6551. The owner of the property shall have the right of redemption until such notice is given and the deed applied for, upon the payment of the fees, penalties and costs as required, or if no deed is applied for, until four years after the date of the issuance of the certificate of sale at which time the certificate of sale would be conclusively presumed to be redeemed.

SEC. 10. Section 6552 of the Streets and Highways Code is amended to read:

6552. No deed to the property sold shall be issued by the treasurer to the purchaser until the treasurer has filed for the record an affidavit showing that the required notices have been given. The affidavit shall be filed and preserved by the treasurer with other records kept by him in his office.

SEC. 11. Section 6553 of the Streets and Highways Code is repealed.

SEC. 12. Section 6631 of the Streets and Highways Code is amended to read:

6631. Notwithstanding the provisions of Section 6619, the treasurer shall reinstate any delinquent bond upon which an action or proceeding for sale or foreclosure has been commenced, upon the payment to him of all principal and interest coupons delinquent at the time of such reinstatement together with:

(a) All penalties imposed pursuant to Section 6442;

(b) If the proceedings are pursuant to Chapter 6 (commencing with Section 6500) of this part, the expenses of publication of notice of sale paid or incurred by the treasurer, and the cost, if incurred, of obtaining evidence of title;

(c) If the proceedings are pursuant to Chapter 11 (commencing with Section 6610) of this part, the costs of suit, the cost of abstract

or report of search of title, and authorized attorneys fees; and

(d) A reinstatement fee determined as follows:

If the action or proceeding for sale or foreclosure was commenced within the following periods, measured from the date of the first delinquent principal or interest coupon:

1. Less than six months, the reinstatement fee shall be five dollars ($5);

2. Six months but less than a year, the reinstatement fee shall be ten dollars ($10);

3. One year or more, and

(i) The unpaid principal is less than one hundred dollars ($100), the reinstatement fee shall be fifteen dollars ($15);

(ii) The unpaid principal is one hundred dollars ($100) or more, the reinstatement fee shall be twenty dollars ($20).

SEC. 13. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

CHAPTER 18

An act to amend Section 3.2 of the Budget Act of 1975 (Chapter 176, Statutes of 1975), relating to health science facilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 19, 1976. Filed with Secretary of State February 20, 1976.]

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

SECTION 1. Section 3.2 of the Budget Act of 1975 (Chapter 176, Statutes of 1975) is amended to read:

HEALTH SCIENCE FACILITIES CONSTRUCTION BOND ACT PROGRAM

Sec. 3.2. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1975–76, 1976–77, and 1977–78 fiscal years for expenditures only for the programs contemplated by the Health Science Facilities Construction Program Bond Act of 1971, except that appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1975–76 fiscal year. All such appropriations shall be paid out of the Health Science Facilities Construction Program Fund.

HIGHER EDUCATION

396.2—For capital outlay, University of California, subject to approval of the State Public Works Board, payable from the Health Sciences Facilities Construction Program Fund; provided, that withdrawals shall be as required to meet current obligations as certified by the University of California 31,797,000

Schedule:

Universitywide, Health Sciences:	
(1) Reserve for cost-rise augmentation	7,500,000
Davis, Health Sciences:	
(1.1) Sacramento Medical Center Program, planning	400,000
(1.2) Sacramento Medical Center, equipment, 1975–76	2,000,000
(2) Working drawings and construct and relocate vegetable crops field headquarters	430,000
Irvine, Health Sciences:	
(2.1) Acquisition and improvements of Orange County Medical Center	5,000,000
(2.2) Planning for renovation of the Orange County Medical Center ..	500,000
(2.3) Working drawings for three community clinics	49,000
(2.4) Planning for on-campus teaching hospital	200,000

provided, that no sums appropriated for subitems (2.1), (2.2), (2.3), and (2.4) shall be allocated by the State Public Works Board until the President of the University of California certifies to the Director of Finance and the Chairman of the Joint Legislative Budget Committee that the University of California has renegotiated its contract with the County of Orange to include a provision in the agreement whereby the county agrees not to amend, change, or alter, during the term of the agreement (as amended and supplemented), the ordinance, regulation, resolution, or other document setting forth (a) the standard pursuant to which the county provides the partial or total health care costs of county residents who cannot

otherwise pay for all or part of their health care needs or (b) the class of persons presently receiving such health services from the county, in such a way as to reduce the level of financial support, adjusted annually by a relevant inflation index; and that the agreement of October 1, 1974, and any amendments or supplements thereto, is further amended to provide that the Regents of the University of California may terminate such agreement, as amended and supplemented, by giving the County of Orange written notice, two years prior to termination, but that such notice may not be given prior to January 1, 1983.

Los Angeles, Health Sciences:	
(3) Construct health sciences center, correct safety deficiencies	1,238,000
San Diego, Health Sciences:	
(4) Equip improvements at University Hospital, 1974–75	202,000
(5) Working drawings and construct University Hospital, correct life safety deficiencies, step 2	827,000
(6) Working drawings and construct basic science building, correct life safety deficiencies	507,000
San Francisco, Health Sciences:	
(7) Working drawings and construct clinics and medical sciences building alterations, step 1	1,957,000
(7.1) Equip community dental clinics, San Francisco Extension Center	177,000
(7.2) Construct and equip community dental clinics, San Francisco General Hospital, Building 20	852,000
(8.1) Preliminary plans, working drawings, construct and equip Hunter's Point Animal Facility	244,000

provided, that the funds in this subitem shall not be released until the lease agreement for the facilities has been reviewed by the Chairman of the Joint Legislative Budget Committee or his designee.

(9.1) Working drawings and construct heating plant—additional capacity and correct seismic deficiencies	1,656,000

(10) Working drawings and construct replacement facilities for U.C. hospital inpatient care areas.....	7,612,000
(11) Working drawings and construct medical sciences building fire protection, 1975–76	446,000

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

This act revises provisions contained in the Budget Act of 1975, which went into effect on July 1, 1975. So that this act may achieve its maximum intended result it is necessary that it go into effect at the earliest possible time. Thus, it is necessary that this act take effect immediately.

CHAPTER 19

An act to amend Sections 6305, 6311, 6315, 6316, 6326, 6328, 6329, 6334, 6338, 6342, 6365, 6365.1, 6365.2, 6366, 6367, 6370, 6371, and 17090 of the Elections Code, relating to the Democratic presidential primary, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature February 22, 1976.
Filed with Secretary of State February 23, 1976.]

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

SECTION 1. Section 6305 of the Elections Code is amended to read:

6305. The chairperson of the Democratic State Central Committee shall notify the Secretary of State on or before the first of February immediately preceding the presidential primary as to the number of delegates and alternates to represent the state in the next national convention of the Democratic Party.

The chairperson shall also notify the Secretary of State at such time as to the number of delegates which may be selected from each congressional district in connection with the presidential primary. The number of delegates which may be selected from each congressional district shall be based on a formula which apportions 75 percent of the total delegation allocated to the state by the Democratic National Committee among the congressional districts in a manner which gives equal weight to the average of the vote in each district for Democratic candidates in the two immediately preceding presidential elections and to the Democratic Party registration based on the report of registration issued by the Secretary of State in January of the presidential primary year. The

number of delegates allocated to each congressional district shall be rounded off to the nearest whole integer. The remaining delegates and the alternates shall be selected pursuant to Article 10 (commencing with Section 6365) of this chapter.

SEC. 2. Section 6311 of the Elections Code is amended to read:

6311. The Secretary of State shall place the name of a candidate upon the presidential primary ballot when the Secretary of State has determined that such a candidate is generally advocated for or recognized throughout the United States or California as actively seeking the nomination of the Democratic Party for President of the United States. The Secretary of State shall include as criteria for selecting candidates the fact of qualifying for funding under the Federal Elections Campaign Act as amended in 1974.

After January 1, but on or before February 1, immediately preceding a presidential primary election the Secretary of State shall publicly announce and distribute to the news media for publication a list of the candidates he or she intends to place on the ballot at the following presidential primary election. Following this announcement he or she may add candidates to the selection, but he or she may not delete any candidate whose name appears on the announced list except as provided in Section 6313.

SEC. 3. Section 6315 of the Elections Code is amended to read:

6315. This article shall apply to the qualification for placement on the presidential primary ballot of candidates who are not selected candidates as referred to in Section 6311, and each group, consisting of at least seven voters of the state who are registered as affiliated with the Democratic Party, proposing the selection of delegates expressing no preference for a candidate for President, hereinafter referred to as an "uncommitted delegation." Such additional candidates who qualify under this article shall hereinafter be referred to as unselected candidates.

SEC. 4. Section 6316 of the Elections Code is amended to read:

6316. Any unselected candidate or uncommitted delegation desiring to be placed on the presidential primary ballot shall have nomination papers circulated on behalf of the candidacy. In order to qualify for placement on the presidential primary ballot, the candidate's or uncommitted delegation's nomination papers shall be signed by voters registered as affiliated with the Democratic Party equal in number to not less than 1 percent of the number of persons registered as members of the Democratic Party in the report of registration issued by the Secretary of State in January of the presidential primary year.

SEC. 4.5. Section 6326 of the Elections Code is amended to read:

6326. Each steering committee shall elect a chairperson. The chairperson of a steering committee, at least 85 days prior to the presidential primary, shall file with the Secretary of State a statement containing the names and addresses of the members of the committee.

SEC. 5. Section 6328 of the Elections Code is amended to read:

6328. In each congressional district, on or before the Thursday preceding the second Sunday in April, all individuals who wish to run as delegates in a caucus shall file with the county clerk a declaration of candidate for recommended delegate, which declaration shall be made available to the steering committee of each candidate or uncommitted delegation. A candidate for delegate shall reside in the congressional district from which he or she wishes to be chosen as a delegate, shall be a member of the Democratic Party, and shall sign a certificate pledging his or her support for that presidential candidate or uncommitted delegation before he or she becomes a bona fide candidate for delegate.

The pledge of support shall be in substantially the following form:

Declaration of Candidate for Recommended Delegate

State of California }
County of _____ } ss.

I, _____, reside and am registered to vote at No. _____ Street, in the City (or town) of _____, in the County of _____, in the _____ Congressional District, State of California.

I personally prefer _____ as nominee of the Democratic Party for President of the United States, and hereby declare to the voters of the Democratic Party in the State of California that if selected as a delegate to their national party convention, I shall support _____ as nominee of my party for President of the United States until released by him or her or until he or she fails to receive at least 15 percent of the vote on any ballot wherein his or her name is placed before the convention in nomination. Such a pledge shall not be binding in the event the candidate dies or becomes unable to accept or hold office if nominated and elected. (This statement of preference shall be omitted where the candidate for delegate is part of a group expressing no preference as to a particular candidate.)

I express no preference as to a particular candidate. The chairperson of my group is _____ (This statement shall be omitted where the candidate for delegate is part of a group preferring a particular candidate).

I certify under penalty of perjury that the foregoing is true and correct.

Date _____. Place _____.

(Signed) _____

SEC. 5.5. Section 6329 of the Elections Code is amended to read:

6329. On the second Sunday in April, at 1 p.m., the caucus chairperson in each congressional district shall convene a caucus for the purpose of recommending delegates. The steering committee of each candidate or uncommitted delegation shall have sole authority

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to establish rules and procedures by which the caucuses of that candidate or uncommitted delegation shall be conducted. Such rules and procedures shall be uniform statewide. Each caucus shall recommend 10 delegates, ranked according to the popular vote each receives in the caucus election, provided, however, that the candidate for President or the steering committee on behalf of the candidate for President shall retain the right to reject and replace individual delegates nominated by the caucus. No provision of the law shall be construed as a constraint on the right of the candidate for President, or the steering committee, on his or her behalf, to select delegates whether or not recommended by the caucus.

Each participant at each caucus shall reside in and be a registered Democrat of the congressional district of the caucus he or she attends and each shall sign a statement of support for that presidential candidate or uncommitted delegation. Delegates selected by a steering committee who have failed to sign a statement of support for their presidential candidate, as prescribed in Section 6328, shall sign such a statement.

On or before April 16 of the presidential primary year, the chairperson of a steering committee shall file with the Secretary of State a statement containing the names of potential delegates from each congressional district. In all cases, the slate for each congressional district shall be equal to the number of delegates allotted to each congressional district pursuant to Article 2 (commencing with Section 6305 of this chapter.

SEC. 6. Section 6334 of the Elections Code is amended to read:

6334. Each signer of a nomination paper may sign only one paper. Each signer shall print his or her name, indicate his or her place of residence, and declare his or her intention to support the candidate or delegation named on the nomination paper.

SEC. 6.5. Section 6338 of the Elections Code is amended to read:

6338. The nomination paper for the presidential primary ballot shall be in substantially the following form:

Section of Nomination Paper Signed by Voter on Behalf of a Presidential Candidate or Uncommitted Delegation

Section _____ Page _____

County of _____. Nomination paper of a candidate or uncommitted delegation for the presidential primary ballot.

State of California }
County of _____ } ss.

Signer's Statement

I, the undersigned, am a voter of the County of _____, State of California, and am registered as intending to affiliate with the Democratic Party. I hereby nominate _____ for the presidential primary to be held on the _____ day of _____, 19__. I have not signed the nomination paper of any other candidate or uncommitted delegation, and I further declare that I intend to support the candidate or uncommitted delegation named herein.

Number	Printed Name	Signature	Residence
1			
2			
3			
Etc.			

Verification Deputy's Affidavit

I, _____, solemnly swear (or affirm) that I have been appointed as a verification deputy to secure signatures in the County of _____ to the nomination paper of a candidate or uncommitted delegation for the presidential primary ballot named in the signer's statement above; that all the signatures on this section of the nomination paper numbered from 1 to ____, inclusive, were made in my presence, and that to the best of my knowledge and belief each signature is the genuine signature of the person whose name it purports to be. The signatures were obtained between _____ 19__ and _____ 19__.

(Signed) _____
Verification Deputy

Subscribed and sworn to before me this _____ day of _____, 19__.

_____
(SEAL) Notary Public (or other official)

SEC. 7. Section 6342 of the Elections Code is amended to read:

6342. Verification deputies may obtain signatures to the nomination paper for which they were appointed, at any time not before February 1 nor after 74 days prior to the presidential primary.

SEC. 8. Section 6365 of the Elections Code is amended to read:

6365. On or before the Wednesday preceding the third Saturday following the primary, the steering committee of each candidate or uncommitted delegation shall announce the names of the congressional district delegates. On the third Saturday following the

presidential primary election, the steering committees of the candidates and uncommitted delegations and congressional district delegates shall meet in convention at the time and place specified by the chairperson of the Democratic State Central Committee in consultation with the chairperson of each steering committee, to select the at-large delegates and all the alternates. The chairperson of the Democratic State Central Committee shall serve as chairperson of the convention until the selection process is completed.

SEC. 9. Section 6365.1 of the Elections Code is amended to read:

6365.1. On or before the Monday preceding the third Saturday following the primary the Secretary of State, in consultation with the chairperson of the Democratic State Central Committee, shall announce the number of delegates to which each candidate or uncommitted delegation is entitled based on the vote in each congressional district. Seventy-five percent of the delegates shall be chosen by the steering committee of each candidate or uncommitted delegation from among the individuals whose names were submitted to the Secretary of State as potential delegates pledged to the various candidates and uncommitted delegation from each congressional district.

The delegates shall be chosen to reflect the strength of support a candidate or uncommitted delegation has received in each congressional district:

(a) For districts in which at least one candidate receives 15 percent of the vote or more, the delegates shall be allocated among the candidates and uncommitted delegations based on recalculated percentages which are determined by the vote each candidate or uncommitted delegation received divided by the total combined vote for all candidates and uncommitted delegations receiving 10 percent or more of the vote in that congressional district. No delegates shall be awarded to any candidate or uncommitted delegation that fails to win at least 10 percent of the vote in any such congressional district.

A candidate or uncommitted delegation shall receive the number of whole delegates each is allowed based on the recalculated percentage of the vote received in that congressional district. A whole delegate is the percentage equal to one divided by the total number of delegates allocated to the congressional district. The remaining delegates shall be awarded to candidates ranked according to the unused recalculated percentage of the vote each received.

(b) If no candidate or uncommitted delegation receives 15 percent or more of the total votes cast in a congressional district, the delegates shall be awarded one each to the top (n) candidates or uncommitted delegations, where (n) equals the number of delegates allocated to the congressional district. In only those congressional districts to which this subdivision applies, are candidates and

uncommitted delegations receiving less than 10 percent of the vote eligible to receive delegates.

(c) In the event of a tie, a delegate shall be awarded to the candidate with the highest statewide popular vote.

(d) In the event that an uncommitted designation was included on the ballot pursuant to Section 6360, and in the event that the uncommitted designation qualifies for delegates pursuant to the provisions of this section, a designee of the chairperson of the Democratic State Central Committee shall convene an uncommitted caucus in each applicable congressional district for the purpose of electing delegates prior to the third Saturday following the primary.

SEC. 10. Section 6365.2 of the Elections Code is amended to read:

6365.2. The remaining 25 percent of the delegation shall be chosen at large and shall be apportioned among the presidential candidates and uncommitted delegations in the same proportion as delegates were awarded by congressional districts on the basis of the primary vote. In the event of a tie, a delegate shall be awarded to the candidate with the highest statewide popular vote.

The remaining 25 percent of the delegates and all of the alternates shall be selected by separate caucuses of the steering committee and the already-selected delegates pledged to the various candidates or who are members of an uncommitted delegation. The candidate for President shall retain the right to approve all delegates and alternates pledged to him or her and who have been selected pursuant to this section. Each caucus shall be chaired by the chairperson of the appropriate steering committee.

The delegation so formed shall thereafter select a chairperson of the delegation, select convention committee members, select all national committee members, and proceed with such other business as they may choose to conduct.

SEC. 11. Section 6366 of the Elections Code is amended to read:

6366. If a slate of delegates is not filed with the Secretary of State pursuant to Section 6329, the candidate or uncommitted delegation shall lose the delegates to which he or she would be entitled from each congressional district for which a slate was not submitted. The delegates shall be awarded to the remaining candidates pursuant to Section 6365.1, provided that the votes received by the disqualified candidate shall not be included in the recalculation specified in subdivision (a) of Section 6365.1.

SEC. 11.5. Section 6367 of the Elections Code is amended to read:

6367. Within five days after the convention held pursuant to Section 6365, the chairperson of the delegation shall notify the Secretary of State of the names and addresses of the delegates and alternates selected at the postprimary convention. The delegates filed shall be the final delegates as determined by the official canvass

as reported pursuant to Section 17090. The chairperson of the delegation shall file with the Secretary of State affidavits executed by all such delegates and alternates in substantially the following form:

Affidavit of Delegate or Alternate

State of California } ss.
County of _____ }

I, _____, reside and am registered to vote at No. _____ Street, in the City (or town) of _____, in the County of _____, in the _____ Congressional District, State of California.

I personally prefer _____ as nominee of my political party for President of the United States, and hereby declare to the voters of the Democratic Party in the State of California that as delegate or alternate to their national party convention, I shall support _____ as nominee of my party for President of the United States, until released by him or until he fails to receive at least 15 percent of the vote on any ballot wherein his name is placed before the convention in nomination. Such a pledge shall not be binding in the event the candidate dies or becomes unable to accept or hold office if nominated and elected. (This statement of preference shall be omitted where the candidate for delegate or alternate is part of a group expressing no preference as to a particular candidate.)

I express no preference as to a particular candidate. The chairperson of my group is _____. (This statement shall be omitted where the candidate for delegate or alternate is part of a group preferring a particular candidate.)

(Signed) _____

Subscribed and sworn to before me this _____ day of _____, 19__.

_____

Notary Public (or other official)

SEC. 12. Section 6370 of the Elections Code is amended to read:

6370. The Secretary of State shall, not later than the 24th day after the election, compile and file in his or her office a statement of the canvassed returns filed with him by the county clerks.

The compiled statement shall show for each candidate and uncommitted delegation the total of the votes received, and the votes received in each county.

SEC. 12.5. Section 6371 of the Elections Code is amended to read:

6371. The Secretary of State shall issue a certification of delegate to each person selected as a delegate or an alternate delegate to the Democratic Party National Convention pursuant to Section 6365. The delegates certified shall be the final delegates as filed pursuant to Section 6367 and determined by the official canvass as reported pursuant to Section 17090.

SEC. 13. Section 17090 of the Elections Code is amended to read:

17090. The clerk shall forthwith send to the Secretary of State by registered mail one complete copy of all returns as to:

(a) All candidates voted for statewide office.

(b) All candidates voted for the following offices:

(1) Member of the Assembly.

(2) Member of the Senate.

(3) Representative in Congress.

(4) Member of the State Board of Equalization.

(5) Judge, except judge of an inferior court.

(c) All persons voted for at the presidential primary. The returns for all persons voted for at the presidential primary for delegates to national conventions shall be canvassed first and shall be sent separately within 20 days after the election.

(d) At presidential elections, the vote given for persons for electors of President and Vice President of the United States. The returns for presidential electors shall be endorsed "Presidential Election Returns," and sent separately.

(e) All statewide measures.

SEC. 14. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Clarifications in the procedures of the Democratic presidential primary must be completed before the procedures for the primary begin on February 1, 1976.

CHAPTER 20

An act to repeal Section 53668 of the Government Code, relating to local government.

[Approved by Governor March 2, 1976 Filed with Secretary of State March 2, 1976]

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

SECTION 1. Section 53668 of the Government Code is repealed.

CHAPTER 21

An act to amend Section 66473 of the Government Code, relating to the Subdivision Map Act.

[Approved by Governor March 2, 1976 Filed with Secretary of State March 2, 1976]

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

SECTION 1. Section 66473 of the Government Code is amended to read:

66473. A local agency shall disapprove a map for failure to meet or perform any of the requirements or conditions imposed by this division or local ordinance enacted pursuant thereto; provided that a final map shall be disapproved only for failure to meet or perform requirements or conditions which were applicable to the subdivision at the time of approval of the tentative map; and provided further that such disapproval shall be accompanied by a finding identifying the requirements or conditions which have not been met or performed. Such local ordinance shall include, but need not be limited to, a procedure for waiver of the provisions of this section when the failure of the map is the result of a technical and inadvertent error which, in the determination of the local agency, does not materially affect the validity of the map.

CHAPTER 22

An act to add Sections 6 and 7 to Chapter 1275 of the Statutes of 1975, relating to eminent domain, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 2, 1976 Filed with Secretary of State March 2, 1976]

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

SECTION 1. Section 6 is added to Chapter 1275 of the Statutes of 1975, to read:

Sec. 6. Sections 1 to 5, inclusive, of this act shall become operative on July 1, 1976.

SEC. 2. Section 7 is added to Chapter 1275 of the Statutes of 1975, to read:

Sec. 7. Except to the extent otherwise provided in subdivision (b) of Section 1230.065 of the Code of Civil Procedure, which becomes operative July 1, 1976, any eminent domain proceeding commenced prior to July 1, 1976, shall be governed by the law in effect on December 31, 1975.

SEC. 3. This act does not constitute a change in, but is declaratory of, the existing law.

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

Although no part of Chapter 1275 of the Statutes of 1975 becomes operative until July 1, 1976, a question could be raised as to the

operative date of Section 1 of Chapter 1275, thus raising the possibility that frivolous claims will be made in eminent domain litigation to the detriment of the people.

In order to eliminate that possibility it is necessary that this act take effect as soon as possible.

CHAPTER 23

An act relating to the sale of real property by the Director of General Services.

[Approved by Governor March 2, 1976. Filed with Secretary of State March 2, 1976.]

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

SECTION 1. The Director of General Services, with the approval of the State Public Works Board, is hereby authorized to sell all or any part of the following real property, and any water company stock held in connection therewith, for current market value and upon such terms and conditions and with such reservations and exceptions as in his opinion may be for the best interest of the state:

Parcel 1. Approximately 274 acres acquired from private parties and located at the westernly boundaries of Redwood City in the County of San Mateo.

Parcel 2. Approximately 428.23 acres located in the Las Posas Valley of Ventura County between the County Roads Berylwood, Price, and Aggen.

SEC. 2. Any moneys received from the sale of real property pursuant to this act shall be paid into the Capital Outlay Fund for Public Higher Education for capital outlay, Trustees of the California State University and Colleges, except that any costs or expenses incurred in the sale of real property pursuant to this act may be reimbursed from the proceeds of the sale.

SEC. 3. Notice of every public auction or bid opening shall be posted on the property to be sold and shall be published in a newspaper of general circulation published in the county in which the real property to be sold is situated. All parcels in this act shall be exempt from the provisions of Sections 21000 to 21174, inclusive, of the Public Resources Code.

SEC. 4. As to any property conveyed pursuant to Section 1 of this act containing 10 acres or less, the Director of General Services may except and reserve in the state all geothermal resources and all deposits of minerals, including oil and gas, below a depth of 500 feet, without surface rights of entry. As to any property conveyed containing more than 10 acres, the Director of General Services shall except and reserve in the state all geothermal resources and all deposits of minerals, including oil and gas, together with the right to

prospect for, mine and remove such resources and deposits. Such rights to prospect for, mine and remove shall be limited to those areas of the property conveyed which the director determines to be reasonably necessary for the removal of such resources and deposits.

SEC. 5. The property comprising parcel 1, or any part thereof, shall not be sold prior to January 1, 1977.

SEC. 6. It is the intent of the Legislature that during a one-year period from the effective date of this act, the Department of General Services shall negotiate to sell parcel 1 to local public entities with the objective that the parcel be utilized for recreational purposes or remain undeveloped open space.

CHAPTER 24

An act to add Sections 20017.79 and 20803.8 to the Government Code, relating to the Public Employees' Retirement System.

[Became law without Governor's signature March 3, 1976.
Filed with Secretary of State March 3, 1976.]

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

SECTION 1. Section 20017.79 is added to the Government Code, to read:

20017.79. "State safety member" shall also include officers and employees of the Adult Authority, Department of Corrections or the Department of Youth Authority in the following classifications:

Schematic Code	Classification
BI30	Farm manager
BJ10	Crops farmer
BK40	Dairy manager
BK60	Dairy supervisor
BK70	Assistant dairy operator
BL30	Supervising groundskeeper II (correctional facility)
BL45	Supervising groundskeeper I (correctional facility)
BL55	Lead groundskeeper (correctional facility)
BL65	Groundskeeper (correctional facility)
DC25	Janitor supervisor II (correctional facility)
DC35	Janitor supervisor I (correctional facility)
DC45	Janitor (correctional facility)
DD15	Supervising housekeeper I (correctional facility)
DD25	Housekeeper (correctional facility)
DE25	Shoemaker (correctional facility
DE55	Seamer (correctional facility)

DE65	Assistant seamer (correctional facility)
DE75	Barbershop manager (correctional facility)
DE85	Barber (correctional facility)
DG25	Laundry supervisor II (correctional facility)
DG35	Laundry supervisor I (correctional facility)
DG45	Laundry worker (correctional facility)
DG55	Laundry finisher (correctional facility)
DH35	Food manager (correctional facility)
DH45	Food administrator II (correctional facility)
DH55	Food administrator I (correctional facility)
DJ15	Supervising cook II (correctional facility)
DJ25	Supervising cook I (correctional facility)
DJ35	Cook II (correctional facility)
DJ45	Cook I (correctional facility)
DJ85	Baker II (correctional facility)
DJ95	Baker I (correctional facility)
DK15	Butcher-meat cutter II (correctional facility)
DK55	Food service assistant II (correctional facility)
DK65	Food service assistant I (correctional facility)
EA30	Supervisor of correctional education programs
EA45	Supervisor of academic instruction (correctional facility)
EA60	Supervisor of vocational instruction
EA63	Supervisor of commercial diver training
EB22	Teacher (arts and crafts) (correctional facility)
EB32	Teacher (business education) (correctional facility)
EB42	Teacher (elementary education) (correctional facility)
EB51	Teacher (high school education) (correctional facility)
EB57	Teacher (ethnic studies) (correctional facility)
EB62	Teacher (home economics) (correctional facility)
EB67	Teacher (librarian) (correctional facility)
EB69	Teacher (cerebral palsied children) (correctional facility)
EB72	Teacher (recreation and physical education) (correctional facility)
EB82	Teacher (music) (correctional facility)
EB91	Teacher (speech development and correction) (correctional facility)
EC12	Teacher (mentally retarded deaf children) (correctional facility)
EC22	Teacher (mentally retarded children) (correctional facility)
EC32	Teacher (emotionally handicapped) (correctional facility)
EC57	Teacher (family life education) (correctional facility)

EC60	Youth Authority teacher
ED27	Vocational instructor (dog grooming and handling) (correctional facility)
ED32	Vocational instructor (powerplant mechanics) (correctional facility)
ED42	Vocational instructor (airframe mechanics) (correctional facility)
ED52	Vocational instructor (auto body and fender repair) (correctional facility)
ED62	Vocational instructor (auto mechanics) (correctional facility)
ED72	Vocational instructor (baking) (correctional facility)
ED82	Vocational instructor (bookbinding) (correctional facility)
ED92	Vocational instructor (carpentry) (correctional facility)
EF12	Vocational instructor (cosmetology) (correctional facility)
EF22	Vocational instructor (culinary arts) (correctional facility)
EF37	Vocational instructor (merchandising) (correctional facility)
EF42	Vocational instructor (drycleaning works) (correctional facility)
EF52	Vocational instructor (electrical work) (correctional facility)
EF62	Vocational instructor (electronics) (correctional facility)
EF67	Vocational instructor (fire science) (correctional facility)
EF72	Vocational instructor (furniture refinishing and repair) (correctional facility)
EF82	Vocational instructor (garment making) (correctional facility)
EG12	Vocational instructor (heavy equipment repair) (correctional facility)
EG22	Vocational instructor (household appliance repair) (correctional facility)
EG32	Vocational instructor (industrial arts) (correctional facility)
EG42	Vocational instructor (instrument repair) (correctional facility)
EG52	Vocational instructor (janitorial service) (correctional facility)
EG62	Vocational instructor (landscape gardening) (correctional facility)

EG72	Vocational instructor (laundry work) (correctional facility)
EG82	Vocational instructor (machine shop practice) (correctional facility)
EG92	Vocational instructor (masonry) (correctional facility)
EH12	Vocational instructor (meat cutting) (correctional facility)
EH22	Vocational instructor (mechanical drawing) (correctional facility)
EH32	Vocational instructor (mill and cabinet work) (correctional facility)
EH42	Vocational instructor (offset printing) (correctional facility)
EH52	Vocational instructor (painting) (correctional facility)
EH62	Vocational instructor (plastering) (correctional facility)
EH72	Vocational instructor (printing) (correctional facility)
EH82	Vocational instructor (printing) (correctional facility)
EH87	Vocational instructor (radiologic technology) (correctional facility)
EH92	Vocational instructor (refrigeration and air-conditioning repair) (correctional facility)
EI12	Vocational instructor (sewing machine repair) (correctional facility)
EI22	Vocational instructor (sheet metal work) (correctional facility)
EI32	Vocational instructor (shoemaking) (correctional facility)
EI42	Vocational instructor (silk screening process) (correctional facility)
EI52	Vocational instructor (storekeeping and warehousing) (correctional facility)
EI72	Vocational instructor (typewriter repair) (correctional facility)
EI82	Vocational instructor (upholstering) (correctional facility)
EI87	Vocational instructor (commercial diver training) (correctional facility)
EI92	Vocational instructor (welding) (correctional facility)
EJ12	Vocational instructor (vocational nursing) (correctional facility)
FM45	Senior librarian (correctional facility)
FM55	Librarian (correctional facility)
PB14	Building maintenance worker (correctional facility)

PB15	Warehouse worker (correctional facility)
PB16	Warehouse manager II (correctional facility)
PB17	Warehouse manager I (correctional facility)
PB18	Materials and stores supervisor II (correctional facility)
PB19	Materials and stores supervisor I (correctional facility)
PB26	Prison canteen manager I
PB27	Prison canteen manager II
PI85	Heavy truck driver (correctional facility)
PI95	Truck driver (correctional facility)
PJ45	Automotive equipment operator II (correctional facility)
PJ55	Automotive equipment operator I (correctional facility)
PN15	Carpenter supervisor (correctional facility)
PN35	Carpenter II (correctional facility)
PN45	Carpenter I (correctional facility)
PQ65	Painter supervisor (correctional facility)
PQ85	Painter II (correctional facility)
PQ92	Painter I (correctional facility)
PS15	Electrician supervisor (correctional facility)
PS35	Electrician II (correctional facility)
PS45	Electrician I (correctional facility)
PT15	Plumber supervisor (correctional facility)
PT45	Plumber I (correctional facility)
PT65	Steamfitter supervisor (correctional facility)
PT85	Steamfitter (correctional facility)
PX55	Mason (correctional facility)
QA15	Maintenance mechanic (correctional facility)
QA45	Locksmith (correctional facility)
QC25	Chief engineer I (correctional facility)
QC36	Stationary engineer supervisor (correctional facility)
QC38	Stationary engineer II (correctional facility)
QC45	Stationary engineer I (correctional facility)
QC55	Boiler room tender (correctional facility)
QC95	Refrigeration engineer (correctional facility)
QD15	Water and sewage plant supervisor (correctional facility)
QF55	Chief of plant operation III (correctional facility)
QF65	Chief of plant operation II (correctional facility)
QF75	Chief of plant operation I (correctional facility)
QF85	Supervisor of building trades (correctional facility)
QK82	Equipment maintenance supervisor (correctional facility)
QK95	Lead automobile mechanic (correctional facility)
QL12	Automobile mechanic (correctional facility)

QN52	Automotive pool manager I (correctional facility)
QP15	Electronics technician (correctional facility)
QZ32	Production manager III, correctional industries
QZ34	Production manager II, correctional industries
QZ36	Production manager I, correctional industries
RA70	Industrial maintenance superintendent
RB70	Detergent plant superintendent
RB90	Wood products factory superintendent
RC10	Assistant wood products factory superintendent
RC20	Wood products factory supervisor
RC30	Upholstery supervisor
RC70	Metal products factory superintendent
RC75	Assistant metal products factory superintendent
RC80	Metal products factory supervisor
RC90	Tool and die making supervisor
RD20	Textile products factory supervisor
RD30	Bedding factory superintendent
RD50	Textile products factory superintendent
RD70	Tobacco factory superintendent
RD90	Shoe factory superintendent
RE10	Shoe factory supervisor (lasting through packing)
RE20	Shoe factory supervisor (cutting and fitting)
RE30	Knitting mill superintendent
RE40	Knitting mill supervisor
RE50	Knit goods finishing supervisor
RE70	Industrial maintenance supervisor
RE75	Printing superintendent, correctional industries
RE80	Printing supervisor, correctional industries
RE90	Book repair and bindery supervisor, correctional industries
RE92	Laundry superintendent, correctional industries
RE95	Laundry supervisor, correctional industries
WZ10	Senior medical technical assistant
WZ25	Medical technical assistant (correctional facilities)
XR10	Supervising social worker II, Youth Authority
XR20	Supervising social worker I, Youth Authority
XR30	Social worker, Youth Authority

Any such officer or employee in employment on the operative date of this section, may elect by a writing filed with the board prior to 90 days after such operative date, to be restored to his previous status as a state industrial member. Upon the filing of such election the member shall cease to be a state safety member, and his rights and obligations shall be adjusted prospectively and retroactively to the operative date of this section, to what they would have been had this section not been enacted.

This section shall not become operative until such time as a ruling or regulation authorizing the inclusion of persons employed in the positions described in this section are included within the definition

of "policeman" by the federal agency for purposes of Section 218(d) (5) (A) of the Social Security Act.

SEC. 2. Section 20803.8 is added to the Government Code, to read:

20803.8. "State safety service" with respect to a member who becomes a state safety member pursuant to Section 20017.79 shall also include service prior to January 1, 1976, as an officer or employee of the Adult Authority, Department of Corrections, or the Department of Youth Authority.

CHAPTER 25

An act to add Section 2954.8 to the Civil Code, relating to impound accounts.

[Approved by Governor March 3, 1976 Filed with Secretary of State March 3, 1976.]

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

SECTION 1. Section 2954.8 is added to the Civil Code, to read:

2954.8. (a) Every financial institution that makes loans upon the security of real property containing only a one- to four-family residence and located in this state or purchases obligations secured by such property and that receives money in advance for payment of taxes and assessments on the property, for insurance, or for other purposes relating to the property, shall pay interest on the amount so held to the borrower. The interest on such amounts shall be at the rate of at least 2 percent simple interest per annum. Such interest shall be credited to the borrower's account annually or upon termination of such account, whichever is earlier.

(b) No financial institution subject to the provisions of this section shall impose any fee or charge in connection with the maintenance or disbursement of money received in advance for the payment of taxes and assessments on real property securing loans made by such financial institution, or for the payment of insurance, or for other purposes relating to such real property, that will result in an interest rate of less than 2 percent per annum being paid on the moneys so received.

(c) For the purposes of this section, "financial institution" means a bank, savings and loan association or credit union chartered under the laws of this state or the United States, or any other person or organization making loans upon the security of real property containing only a one- to four-family residence.

(d) The provisions of this section do not apply to any of the following:

(1) Loans executed prior to the effective date of this section.

(2) Moneys which are placed by a financial institution other than

a bank in a non-interest-bearing demand trust fund account of a bank.

CHAPTER 26

An act to amend Section 99407 of, and to add Sections 99304 and 99400.5 to, the Public Utilities Code, relating to public transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 4, 1976. Filed with Secretary of State March 5, 1976.]

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

SECTION 1. Section 99304 is added to the Public Utilities Code, to read:

99304. The county auditor shall advance to the transit development board created pursuant to Division 11 (commencing with Section 120000) up to five hundred thousand dollars ($500,000) to commence its activities as prescribed by law. The advance shall be credited against future allocation instructions the board may make pursuant to Section 99233.8. The county auditor shall make the advances from the portion of the local transportation fund that represents the unallocated apportionment available to the board pursuant to Section 99303.

SEC. 2. Section 99400.5 is added to the Public Utilities Code, to read:

99400.5. Notwithstanding the provisions of Section 99232, a county in which there is no countywide transit district may file a claim under this article with the transportation planning agency to finance the construction of multimodal transportation terminals. The terminals may be located anywhere in the county.

SEC. 3. Section 99407 of the Public Utilities Code is amended to read:

99407. (a) Notwithstanding any other provision of this chapter, the transportation planning agency may approve claims filed by a city for the construction of facilities for the exclusive use of pedestrians and bicycles, if the city is not expected to be served by public transportation within three years of the filing of the claims.

(b) Notwithstanding Section 99232, the transportation planning agency may approve claims filed by the City of Del Mar for its unallocated apportionments through the 1977–78 fiscal year for the construction of facilities for the exclusive use of pedestrians and bicycles.

SEC. 4. Because of the unique need for the construction of facilities for the exclusive use of pedestrians and bicycles in the City of Del Mar and for the city to use its Mills-Alquist-Deddeh apportionment to finance such construction rather than construction

of other transportation facilities, it is hereby declared that a general law cannot be made applicable and that the enactment of Section 99407 of the Public Utilities Code, as amended, as a special law is necessary for the solution of the transportation problems of the City of Del Mar.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because duties, obligations, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the Mills-Alquist-Deddeh funds may be used with greater flexibility in solving transportation problems, it is necessary that this act take effect immediately.

CHAPTER 27

An act to amend Sections 409.1, 409.2, and 409.3 of the Code of Civil Procedure, relating to lis pendens.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976.]

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

SECTION 1. Section 409.1 of the Code of Civil Procedure is amended to read:

409.1. At any time after notice of pendency of an action has been recorded pursuant to Section 409 or other law, the court in which the action is pending shall, upon motion of a party to the action supported by affidavit, order that the notice be expunged, unless the party filing the notice shows to the satisfaction of the court, by a preponderance of the evidence, that:

(a) The action does affect title to or right of possession of the real property described in the notice; and

(b) Insofar as the action affects title to or right of possession of the real property described in the notice, the party recording the notice has commenced or prosecuted the action for a proper purpose and in good faith. Notice of motion to expunge shall be served not less than 20 days prior to the hearing. The court shall determine the matter on the affidavits and counteraffidavits on file and upon such other proof as the court may permit. Upon recordation of a certified copy of the order expunging a notice of pendency of the action in the office of the county recorder in which the notice of the pendency of

the action was recorded neither the notice of the pendency of the action nor any information derived therefrom, prior to the recording of a certified copy of the judgment or decree issued therein, shall constitute constructive or actual notice of any of the matters contained therein, or of any of the matters relating to such action, or create any duty of inquiry in any person thereafter dealing with the property described therein.

The court, as a condition of granting or denying the motion to expunge, may require that the party prevailing upon such motion give the other party an undertaking of such nature, and in such amount as shall be fixed by the court, such undertaking to be to the effect that such prevailing party will indemnify the other party for all damages which he may incur if he ultimately prevails in the action.

SEC. 2. Section 409.2 of the Code of Civil Procedure is amended to read:

409.2. At any time after notice of pendency of an action has been recorded pursuant to Section 409 or other law, the court in which the action is pending may order that the notice be expunged if the moving party shall have given an undertaking of such nature, in such amount and within such time as shall be fixed by the court after notice and hearing, such undertaking to be to the effect that the moving party will indemnify the party recording the notice for all damages which he may incur if the notice is expunged and the moving party does not prevail and if the court finds that adequate relief can be secured to the party recording the notice by the giving of such undertaking. Upon recordation of a certified copy of such order in the office of the county recorder in which the notice of the pendency of the action was recorded, neither the notice of the pendency of the action nor any information derived therefrom, prior to the recording of a certified copy of the judgment or decree issued therein, shall constitute constructive or actual notice of any of the matters contained therein, or of any of the matters relating to such action, or create any duty of inquiry in any person thereafter dealing with the property described therein.

SEC. 3. Section 409.3 of the Code of Civil Procedure is amended to read:

409.3. When an order is made pursuant to Section 409.1 or Section 409.2 granting or denying a motion to expunge a notice of pendency of action, the order may direct that the prevailing party be awarded reasonable attorneys' fees and costs.

CHAPTER 28

An act to add Section 19614.1 to, and to repeal Section 19614.1 of, the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976.]

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

SECTION 1. Section 19614.1 is added to the Business and Professions Code, to read:

19614.1. Notwithstanding Section 19614, any association other than the California State Fair and Exposition or a district or county fair which handles twenty-five million dollars ($25,000,000) or less in the parimutuel pools operated by it during the course of a racing meeting shall be exempt from the requirements of Sections 19611, 19612 and subdivisions (c) and (d) of Section 19615.

Any such association shall deduct from the total amount handled in parimutuel pools related to its meeting 15.75 percent thereof to be distributed as license fees, commissions, and purses, and shall pay a license of 5½ percent on the amount handled by it in lieu of any other base rate, or rates, otherwise provided for. The remaining 10.25 percent so deducted shall be distributed as commissions and purses.

This section shall remain in effect for one year from its effective date, and on such date is repealed.

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

Small racing associations, faced with a substantial state license fee increase effective July, 1975, may cancel or be unable to conduct their race meetings. As a result, state horseracing revenues could decrease by as much as three million dollars ($3,000,000) and unemployment within the horseracing industry could increase significantly. It is therefore necessary that this act take effect immediately.

CHAPTER 29

An act to amend Section 22660 of, and to add Sections 22661, 22662, 22663, 22664, 22665, 22666, 22667, and 22668 to, the Vehicle Code, relating to vehicles.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976.]

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

SECTION 1. Section 22660 of the Vehicle Code, as amended by Section 1 of Chapter 627 of the Statutes of 1975, is amended to read:

22660. Notwithstanding any other provision of law, a city, county, or city and county may adopt an ordinance establishing procedures for the abatement and removal, as public nuisances, of abandoned, wrecked, dismantled, or inoperative vehicles or parts thereof from private or public property, not including highways; and for the recovery, pursuant to Section 25845 or 38773.5 of the Government Code, or assumption by the local authority, of costs of administration and such removal.

SEC. 2. Section 22661 is added to the Vehicle Code, to read:

22661. Any ordinance establishing procedures for the removal of abandoned vehicles shall contain all of the following provisions:

(a) The requirement that notice be given to the Department of Motor Vehicles within five days after the date of removal, identifying the vehicle or part thereof and any evidence of registration available, including, but not limited to, the registration card, certificates of ownership, or license plates.

(b) Making the ordinance inapplicable to (1) a vehicle or part thereof which is completely enclosed within a building in a lawful manner where it is not visible from the street or other public or private property or (2) a vehicle or part thereof which is stored or parked in a lawful manner on private property in connection with the business of a licensed dismantler, licensed vehicle dealer, or a junkyard. This exception shall not, however, authorize the maintenance of a public or private nuisance as defined under provisions of law other than this chapter.

(c) The requirement that not less than a 10-day notice of intention to abate and remove the vehicle or part thereof as a public nuisance be issued, unless the property owner and the owner of the vehicle have signed releases authorizing removal and waiving further interest in the vehicle or part thereof. Such notice shall contain a statement of the hearing rights of the owner of the property on which the vehicle is located and of the owner of the vehicle. The statement shall include notice to the property owner that he may appear in person at a hearing or may submit a sworn written statement denying responsibility for the presence of the vehicle on the land, with his reasons for such denial, in lieu of appearing. The notice of intention to abate shall be mailed, by registered or certified mail, to the owner of the land as shown on the last equalized assessment roll and to the last registered and legal owners of record unless the vehicle is in such condition that identification numbers are not available to determine ownership.

(d) The requirement that a public hearing be held before the governing body of the city, county, or city and county, or any other board, commissioner, or official of the city, county, or city and county as designated by the governing body, upon request for such a hearing

by the owner of the vehicle or the owner of the land on which such vehicle is located. This request shall be made to the appropriate public body, agency, or officer within 10 days after the mailing of notice of intention to abate and remove the vehicle. If the owner of the land on which the vehicle is located submits a sworn written statement denying responsibility for the presence of the vehicle on his land within such time period, this statement shall be construed as a request for hearing which does not require the presence of the owner submitting such request. If such a request is not received within such period, the appropriate public body, agency, or officer shall have the authority to remove the vehicle.

(e) The requirement that after a vehicle has been removed, it shall not be reconstructed or made operable, unless it is a vehicle which qualifies for either horseless carriage license plates or historical vehicle license plates, pursuant to Section 5004, in which case the vehicle may be reconstructed or made operable.

(f) Authorizing the owner of the land on which the vehicle is located to appear in person at the hearing or present a sworn written statement denying responsibility for the presence of the vehicle on the land, with his reasons for such denial. If it is determined at the hearing that the vehicle was placed on the land without the consent of the landowner and that he has not subsequently acquiesced in its presence, then the local authority shall not assess costs of administration or removal of the vehicle against the property upon which the vehicle is located or otherwise attempt to collect such cost from such owner.

SEC. 3. Section 22662 is added to the Vehicle Code, to read:

22662. Vehicles or parts thereof may be disposed of by removal to a scrapyard, automobile dismantler's yard, or any suitable site operated by a local authority for processing as scrap, or other final disposition consistent with subdivision (e) of Section 22661. A local authority may operate such a disposal site when its governing body determines that commercial channels of disposition are not available or are inadequate, and it may make final disposition of such vehicles or parts, or the local agency may transfer such vehicle or parts to another, provided such disposal shall be only as scrap.

SEC. 4. Section 22663 is added to the Vehicle Code, to read:

22663. Any ordinance adopted pursuant to Section 22660 shall provide for administration of the ordinance by regularly salaried full-time employees of the city, county, or city and county, except that the removal of vehicles or parts thereof from property may be by any other duly authorized person. Any such authorized person may enter upon private property for the purposes specified in the ordinance to examine a vehicle or parts thereof, obtain information as to the identity of a vehicle, and remove or cause the removal of a vehicle or part thereof declared to be a nuisance pursuant to the ordinance.

SEC. 5. Section 22664 is added to the Vehicle Code, to read:

22664. Any licensed dismantler or commercial enterprise acquiring vehicles removed pursuant to such ordinance shall be excused from the reporting requirements of Section 11520; and any fees and penalties which would otherwise be due the Department of Motor Vehicles are hereby waived, provided that a copy of the resolution or order authorizing disposition of the vehicle is retained in the dismantler's or commercial enterprise's business records.

SEC. 6. Section 22665 is added to the Vehicle Code, to read:

22665. Notwithstanding Section 22710 or any other provision of law, the department shall, at the request of a local authority, administer on behalf of the local authority its abandoned vehicle abatement and removal program established pursuant to Section 22660. For any program which the department administers pursuant to this section, it shall be reimbursed from the Abandoned Vehicle Trust Fund to the extent to which it is not reimbursed by the local authority pursuant to Section 22666.

SEC. 7. Section 22666 is added to the Vehicle Code, to read:

22666. Whenever the department is administering a program pursuant to Section 22665, it shall by regulation establish procedures for the abatement and removal of vehicles that are identical to the requirements specified in Section 22661, except that the department shall provide by agreement with the requesting local authority for the conduct of a public hearing pursuant to subdivision (d) of Section 22661 by the local authority and for the reimbursement of the department for its costs of administration and removal which the local authority is authorized to recover from the property owner pursuant to Section 22660. Such regulations shall also provide for the administration of the regulations by regularly salaried, full-time personnel of the department, except that the removal of vehicles or parts thereof from property may be done by any other duly authorized person. Any such person may enter upon private property for the purposes specified in the regulations to examine a vehicle or parts thereof, obtain information as to the identity of a vehicle, and remove or cause the removal of a vehicle or part thereof declared to be a nuisance pursuant to the regulations.

The provisions of Sections 22662 and 22664 shall also apply to any vehicle removed by the department.

SEC. 8. Section 22667 is added to the Vehicle Code, to read:

22667. In establishing procedures for the abatement and removal of abandoned vehicles, the department shall give priority to the removal of abandoned vehicles from corridors of the state highway system, from public lands and parks, and from river and wildlife areas.

SEC. 9. Section 22668 is added to the Vehicle Code, to read:

22668. No local authority whose abandoned vehicle abatement and removal program is administered pursuant to Section 22665 shall be eligible for any disbursement from the Abandoned Vehicle Trust Fund pursuant to Section 22710.

CHAPTER 30

An act to repeal Section 1502.5 of the Code of Civil Procedure, relating to unclaimed property.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976.]

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

SECTION 1. Section 1502.5 of the Code of Civil Procedure is repealed.

CHAPTER 31

An act to amend Sections 54774, 54774.2, 54776.3, 54777.5, 54778, 54780, 54781, 54782, 54782.5, 54782.6, 54784, 54790.1, and 54792 of the Government Code, relating to local agencies.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976]

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

SECTION 1. Section 54774 of the Government Code is amended to read:

54774. Among the purposes of a local agency formation commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local governmental agencies based upon local conditions and circumstances. One of the objects of the local agency formation commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local governments in each county and to shape the development of local governmental agencies so as to advantageously provide for the present and future needs of each county and its communities.

In addition to its other powers the local agency formation commission shall initiate and make studies of existing governmental agencies. Such studies shall include but shall not be limited to inventorying such agencies and determining their maximum service area and service capacities. In conducting such studies, the commission may ask for land use information, studies, and plans of cities, counties, districts, including school districts, and regional agencies and state agencies and departments. Cities, counties, districts, including school districts, regional agencies, and state agencies and departments, shall comply with the request of the commission for such information and the commission shall make its studies available to public agencies and any interested person. In

making these studies, the commission may cooperate with the county planning commissions.

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the local agency formation commission shall develop and determine the sphere of influence of each local governmental agency within the county. As used in this section "sphere of influence" means a plan for the probable ultimate physical boundaries and service area of a local governmental agency. Among the factors considered in determining the sphere of influence of each local governmental agency the commission shall consider:

(a) The maximum possible service area of the agency based upon present and possible service capabilities of the agency.

(b) The range of services the agency is providing or could provide.

(c) The projected future population growth of the area.

(d) The type of development occurring or planned for the area, including, but not limited to, residential, commercial, and industrial development.

(e) The present and probable future service needs of the area.

(f) Local governmental agencies presently providing services to such area and the present level, range and adequacy of services provided by such existing local governmental agencies.

(g) The existence of social and economic interdependence and interaction between the area within the boundaries of a local governmental agency and the area which surrounds it and which could be considered within the agency's sphere of influence.

(h) The existence of agricultural preserves in the area which could be considered within an agency's sphere of influence and the effect on maintaining the physical and economic integrity of such preserves in the event that such preserves are within a sphere of influence of a local governmental agency.

The commission shall periodically review and update the spheres of influence developed and determined by them.

The spheres of influence, after adoption, shall be used by the commission as a factor in making regular decisions on proposals over which it has jurisdiction. The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for such recommendations. Such recommendations shall be made available, upon request, to other governmental agencies or to the public.

The commission, or the board of supervisors on behalf of the commission, is authorized to apply for or accept, or both, any financial assistance and grants-in-aid from public or private agencies or from the state or federal government or from a local government.

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SEC. 2. Section 54774.2 of the Government Code is amended to read:

54774.2. If any local agency or county desires amendment or revision of an adopted sphere of influence, the local agency or county, by resolution of its legislative body, may file a request therefor with the executive officer who shall present the same to the commission at its next regular meeting. The commission, upon receipt of such a resolution, shall set a time and date for hearing of the request and shall direct the executive officer to give notice of the hearing at the times and in the manner prescribed in Section 54774.1. At the hearing, the commission shall hear any interested persons and consider the requests for amendment or revision of the sphere of influence. The commission may continue the hearing from time to time not to exceed 70 days from the date specified in the notice of hearing. At the conclusion of the hearing the commission shall deny or approve, in whole or in part, the request.

Any local agency or county making a request pursuant to this section shall reimburse the commission for the actual and direct costs incurred by the commission in complying with this section; provided, however, that the commission may in its discretion waive such reimbursements if it finds that the request for amendment or revision of a sphere of influence can be considered and studied as a part of the periodic review of spheres of influence required by Section 54774.

SEC. 3. Section 54776.3 of the Government Code is amended to read:

54776.3. Notwithstanding the provisions of Section 6103 of this code, the commission may establish a schedule of fees for filing and processing applications filed with the commission pursuant to Section 54791. Such fees shall not exceed those charged pursuant to Sections 56132 and 56133. When a special district files an application for extension of its powers, a commission may charge a fee not to exceed five hundred dollars ($500), and may establish a schedule of fees, for costs incurred pursuant to such application.

SEC. 4. Section 54777.5 of the Government Code is amended to read:

54777.5. The commission may contract for retirement benefits for the executive officer or staff personnel pursuant to the County Employees Retirement Law of 1937 or the Public Employees' Retirement Law. It may also provide for health and medical benefits.

The commission shall preserve accrued vacation, sick leave, compensatory time, and retirement benefits of persons hired from within the employment of their respective county.

SEC. 5. Section 54778 of the Government Code is amended to read:

54778. The officers and employees of any city, county, special district, including school districts, and any regional agency, or state agency or department as may be necessary, shall furnish the executive officer with any records or information in their possession

which may be necessary to assist the commission.

Upon request by the commission or the executive officer, the county surveyor, or such other county officer or employee as the board of supervisors may designate, shall examine and report to the commission or the executive officer upon any application or other document involving any of the matters specified in subdivision (f) of Section 54790.

SEC. 6. Section 54780 of the Government Code is amended to read:

54780. There is hereby created in each county a local agency formation commission. Except as provided in Sections 54781 and 54782, the commission shall consist of five members, selected as follows:

(a) Two representing the county, appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall be an alternate member of the commission. He is authorized to serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself from participating in a meeting of the commission.

In the event the office of a regular county member becomes vacant the alternate member is authorized to serve and vote in his place until the appointment and qualification of a regular county member to fill the vacancy.

(b) Two representing the cities in the county, each of whom shall be a city officer, appointed by the city selection committee. The city selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 54784.

(c) One representing the general public appointed by the other four members of the commission.

SEC. 7. Section 54781 of the Government Code is amended to read:

54781. If there is no city in the county, the commission shall consist of five members, selected as follows:

(a) Three representing the county, appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a fourth supervisor who shall be an alternate member of the commission. He is authorized to serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself from participating in a meeting of the commission.

In the event the office of a regular county member becomes vacant the alternate member is authorized to serve and vote in his place until the appointment and qualification of a regular county member to fill the vacancy.

(b) Two representing the general public appointed by the other three members of the commission.

SEC. 8. Section 54782 of the Government Code is amended to read:

54782. If there is only one city in the county, the commission shall

consist of five members, selected as follows:

(a) Two representing the county, appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall be an alternate member of the commission. He is authorized to serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself from participating in a meeting of the commission.

In the event the office of a regular county member becomes vacant the alternate member is authorized to serve and vote in his place until the appointment and qualification of a regular county member to fill the vacancy.

(b) One representing the city, who shall be a city officer, appointed by the legislative body of the city. The legislative body of the city shall also designate one alternate member who shall serve and vote in the absence or disqualification of the regular appointed city representative.

(c) Two representing the general public appointed by the other three members of the commission.

SEC. 9. Section 54782.5 of the Government Code is amended to read:

54782.5. When appointing a public member pursuant to Section 54780, 54781, or 54782, the commission may also appoint an alternate public member who shall be authorized to serve and vote in place of a regular public member who is absent or disqualifies himself from participating in a meeting of the commission.

In the event the office of a regular public member becomes vacant the alternate member is authorized to serve and vote in his place until the appointment and qualification of a regular public member to fill the vacancy.

SEC. 10. Section 54782.6 of the Government Code is amended to read:

54782.6. The commission of any county shall be enlarged to seven members if, pursuant to Article 4 (commencing with Section 54850) of this chapter, the commission of any county (i) orders representation of special districts upon the commission and (ii) adopts rules and regulations affecting the functions and services of special districts. In addition to the commission members selected pursuant to Sections 54780, 54781 and 54782, two commission members shall be selected by an independent special district selection committee to represent special districts in the county.

The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district; provided, however, that in the event the presiding officer of an independent special district will be unable to attend a meeting of the independent special district selection committee, the legislative body of the district may appoint one of its members to attend the meeting of the selection committee in the presiding officer's place. Such districts shall include districts located wholly

within the county and those containing territory within the county representing 50 percent or more of the assessed value of taxable property of such district, as shown on the last equalized county assessment roll or rolls. Each member of the committee shall be entitled to one vote for each independent special district of which he is the presiding officer and members representing a majority of the eligible districts shall constitute a quorum.

The executive officer shall call and give written notice of all meetings of the members of the selection committee. A meeting shall be called and held (i) whenever a vacancy exists among the members or alternate members representing independent special districts upon the commission or (ii) upon receipt of a written request by one or more members of the selection committee representing districts having 10 percent or more of the assessed value of taxable property within the county, as shown on the last equalized county assessment roll.

The selection committee shall appoint two regular members and two alternate members to the commission; the members so appointed shall be elected or appointed special district officers residing within the county; provided, however, that the members so appointed shall not be members of the governing body of a city or county. If one of the regular district members is absent from a commission meeting, disqualifies himself from participating in a meeting or is automatically disqualified from participating therein, the alternate district member is authorized to serve and vote in his place for that meeting. When the commission is considering any proposal affecting the district for which the regular member is a special district officer, such member is automatically disqualified from participating in proceedings of the commission with respect to the proposal and the alternate member shall serve and vote in his place upon such proposal.

In the event the office of a regular district member becomes vacant the alternate member is authorized to serve and vote in his place until the appointment and qualification of a regular district member to fill the vacancy.

SEC. 11. Section 54784 of the Government Code is amended to read:

54784. In each county containing two or more cities, regular and alternate city members to the commission shall be appointed by the city selection committee organized in the county pursuant to and in the manner provided in Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1 of Title 5. Regular members of the commission shall be appointed by such city selection committee pursuant to Section 54780.

The city selection committee shall appoint one alternate member to the commission in the same manner as it appoints a regular member. If one of the regular city members is absent from a commission meeting, or disqualifies himself from participating in a

meeting, or is automatically disqualified from participating therein pursuant to this section, the alternate member is authorized to serve and vote in his place for that meeting. Except in the case of counties with not more than two cities, when the commission is considering a proposal for the annexation of territory to a city of which one of the members of the commission is an officer, the member is disqualified from participating in the proceedings of the commission with respect to the proposal and the alternate member shall serve and vote in his place for such purpose.

In the event the office of a regular city member becomes vacant the alternate member is authorized to serve and vote in his place until the appointment and qualification of a regular city member to fill the vacancy.

SEC. 12. Section 54790.1 of the Government Code is amended to read:

54790.1. In any commission order giving approval to any of the matters provided for by subdivision (a) of Section 54790, the commission may make such approval conditional upon:

(a) Any of the conditions set forth in Section 56470.

(b) The initiation, conduct or completion of proceedings for a change of organization or a reorganization under and pursuant to the District Reorganization Act of 1965, Division 1 (commencing with Section 56000) of Title 6; and

(c) The approval or disapproval, with or without election, as may be provided by the District Reorganization Act of 1965, of any resolution or ordinance ordering any such change of organization or reorganization.

If the commission shall so condition its approval, the commission may order that any further action pursuant to this chapter shall be continued and held in abeyance for such period of time as the commission may designate, not to exceed six months from the date of such conditional approval.

Any such commission order may also provide that any election called upon any of the matters provided for by said subdivision (a) of Section 54790 shall be called, held and conducted before, upon the same date as, or after the date of any election to be called, held and conducted upon a change of organization or reorganization pursuant to the provisions of the District Reorganization Act of 1965.

Any such commission order may also provide that in any election at which the questions of annexation and district reorganization or incorporation and district reorganization are to be considered at the same time, there shall be a single question appearing on the ballot upon the issues of annexation and district reorganization or incorporation and district reorganization.

SEC. 13. Section 54792 of the Government Code is amended to read:

54792. Each application shall be in such form as the commission may prescribe and shall contain:

(a) A statement of the nature of each proposal;

(b) A description of the boundaries of the territory proposed to be incorporated into a new city, to be formed into a special district, to be annexed to a local agency or to be excluded from a city;

(c) A map showing such boundaries;

(d) Such data and information as may be required by any rule or regulation of the commission;

(e) Such additional data and information, as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the commission; and

(f) The names of the officers or persons, not to exceed three in number, who are to be furnished with copies of the executive officer's report and who are to be given mailed notice of hearing.

SEC. 14. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because duties, obligations, or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 32

An act to amend Sections 17601.1 and 18102.9 of the Education Code, relating to school attendance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976.]

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

SECTION 1. Section 17601.1 of the Education Code is amended to read:

17601.1. For the purposes of this chapter, the governing board of each school district and community college district shall report to the Superintendent of Public Instruction during each fiscal year the average daily attendance of the district for all full school months during (1) the period between July 1st and December 31st, inclusive, to be known as the "first period" report for the first principal apportionment, and (2) the period between July 1st and April 15th, inclusive, to be known as the "second period" report for the second principal apportionment. The county superintendent of schools shall report the average daily attendance for the schools and classes maintained by him and the average daily attendance for the county school tuition fund. If the average daily attendance in the regular day schools of a district for the period of time between July 1 and June 30 is greater or lesser than the average daily attendance in the regular day schools reported for the second period report, the

appropriate increases and decreases in the several categories of attendance for which separate foundation programs are required to be computed shall be recomputed on the basis of the foundation program and assessed valuation of the district of the fiscal year in which such increases and decreases in average daily attendance were applicable and the appropriate increases and decreases in apportionments shall be added or withheld in the next succeeding fiscal year pursuant to Section 17414.

Each report shall be prepared in accordance with instructions on forms prescribed and furnished by the Superintendent of Public Instruction and average daily attendance shall be computed in the following manner:

(a) The average daily attendance in the regular elementary, junior high, and high schools maintained by the school districts shall be determined by dividing the total number of days of attendance allowed in all full school months in each period, by the number of days such schools are actually taught in all full school months in each period, exclusive of Saturdays or Sundays.

With the exception of days of attendance in special day classes convened, or other instruction provided a pupil for days in a school year which are in excess of the number of days in the school year on which the regular day schools of a district are convened, if the average daily attendance in schools and classes maintained by school districts other than regular day schools and classes for the period of time between July 1 and June 30 is greater or lesser than the average daily attendance in such schools and classes reported for the second period report, the separate state support which is provided for attendance in such schools and classes shall be recomputed on the basis of the fiscal year average daily attendance, and increases and decreases in apportionments shall be added or withheld in the next succeeding fiscal year pursuant to Section 17414.

(b) The average daily attendance in grades 13 and 14 of the regular day schools of each community college shall be determined pursuant to the provisions of Article 5 (commencing with Section 11475). For community colleges under the provisions of this paragraph, the "first period" shall be the summer session and the fall semester for semester-system colleges, the summer and fall quarter for colleges on the three-quarter system, and the summer and fall quarters for colleges on the four-quarter system. The "second period" shall be the "academic year" which is the summer session plus the first and second semester for semester-system colleges, the summer session plus the first and second quarters for three-quarter-system colleges, and the summer, fall, and winter quarters for four-quarter-system colleges.

The "academic year" for three- or four-quarter-system colleges is reported on the annual report and adjustments shall be made as set forth in the first paragraph of this section.

(c) The average daily attendance in summer school and outdoor

science and conservation education classes maintained during the period between the last day the regular day schools are in session during the preceding year and the first day the regular day schools are in session during the current year shall be reported on both the first period and second period reports. Such average daily attendance shall be computed by dividing the days of attendance allowed by 175. For community colleges, the hours of attendance shall be divided by 525 for all classes of less than four weeks duration. For summer sessions of four weeks or more, average daily attendance shall be computed as provided in Section 11475.

(d) The attendance for schools and classes maintained by the county superintendent of schools and for the county school tuition fund credited after the last full school month of the second period of the preceding year and prior to the end of each reporting period shall be reported on each report. The average daily attendance of the school, class, or fund shall be determined for the first period by dividing the days of attendance allowed by 100 and for the second period, the days of attendance allowed shall be divided by 175.

(e) The days of attendance in classes for adults continuation schools and classes, regional occupation centers and opportunity schools and classes maintained after the last full school month of the second period of the preceding year and prior to the end of each reporting period shall be reported on each report. The average daily attendance in such schools and classes shall be determined for the first period by dividing the days of attendance allowed by 100; for the second period, the days of attendance allowed shall be divided by 175 for kindergarten and grades 1 to 12, inclusive. In community colleges, the divisor for contact hours of adult classes is 300 for the first period and 525 for the second period.

SEC. 2. Section 18102.9 of the Education Code is amended to read:

18102.9. (1) In addition to the allowances provided under Sections 18102 to 18102.6, inclusive, the Superintendent of Public Instruction shall allow to school districts and county superintendents of schools for each unit of average daily attendance an amount as follows:

(a) For instruction of educationally handicapped pupils in learning disability groups, one thousand eight hundred eighty dollars ($1,880).

(b) For instruction of educationally handicapped pupils in homes or in hospitals, one thousand three hundred dollars ($1,300).

(c) For instruction of physically handicapped pupils in remedial physical education, seven hundred seventy-five dollars ($775).

(d) For remedial instruction of physically handicapped pupils in other than physical education, two thousand dollars ($2,000).

(e) For instruction of blind pupils when a reader has actually been provided to assist the pupil with his studies, or for individual instruction in mobility provided blind pupils under regulations

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prescribed by the State Board of Education, or when braille books are purchased, ink print materials are transcribed into braille, or sound recordings and other special supplies and equipment are purchased for blind pupils, or for individual supplemental instruction in vocational arts, business arts, or homemaking for blind pupils, nine hundred ten dollars ($910).

Braille books purchased, braille materials transcribed from ink print, sound recordings purchased or made, and special supplies and equipment purchased for blind pupils for which state or federal funds were allowed are property of the state and shall be available for use by blind pupils throughout the state as the State Board of Education shall provide.

(f) For other individual instruction of physically handicapped pupils, one thousand three hundred dollars ($1,300).

(g) For the instruction of physically handicapped pupils in regular day classes, one thousand eighteen dollars ($1,018).

(h) For the instruction of mentally retarded pupils in regular day classes, one thousand eighteen dollars ($1,018).

(i) For the instruction of educationally handicapped pupils in regular day classes, one thousand eighteen dollars ($1,018).

(j) In lieu of benefits provided under subdivision (d) of Section 18102.9, there shall be allowed for the individualized remedial instruction of speech handicapped pupils by specially trained noncredentialed teaching assistants under the direct guidance of a speech therapist, one thousand eighteen dollars ($1,018).

(2) (a) The allowances provided under Sections 18102 to 18102.6, inclusive, may be increased proportionately on account of special day classes convened, or other instruction provided a pupil, for days in a school year which are in excess of the number of days in the school year on which the regular day schools of a district are convened. The average daily attendance of pupils enrolled for such excess days shall be credited to the school district in the fiscal year in which the last day of such excess days falls.

(b) The Superintendent of Public Instruction shall compute for each applicant school district and county superintendent of schools in providing in such year a program of specialized consultation to teachers, counselors and supervisors for educationally handicapped pupils, an amount equal to the product of ten dollars ($10) and the average daily attendance of pupils enrolled in special day classes, learning disability groups, and home and hospital instruction for educationally handicapped pupils.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act provides a reasonable method of effecting the transition between different methods of crediting average daily attendance in extended sessions in schools. In order to effectuate such transition

and avoid loss in apportionments in the 1975–76 fiscal year and not cause a substantial reduction in the quality of education in this state, it is necessary that this act take effect immediately.

CHAPTER 33

An act to add Sections 6401.5 and 6509 to the Labor Code, and to add Section 17922.5 to the Health and Safety Code, relating to safety requirements, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976.]

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

SECTION 1. Section 6401.5 is added to the Labor Code, to read:

6401.5. No salvage of materials shall be permitted while demolition is in progress on any building, structure, falsework, or scaffold more than three stories high or the equivalent height for which a permit is required under subdivision (c) of Section 6500.

For this purpose salvage does not include removal of material from premises solely for the purpose of clearing the area to facilitate the continuation of the demolition.

SEC. 2. Section 6509 is added to the Labor Code, to read:

6509. Any person, or agent or officer thereof, who violates this chapter is guilty of a misdemeanor.

SEC. 3. Section 17922.5 is added to the Health and Safety Code, to read:

17922.5. Any state or local agency which issues building permits shall require, as a condition of issuing any such permit where the working conditions of such construction would require an employer to obtain a permit from the Division of Industrial Safety pursuant to Chapter 6 (commencing with Section 6500) of Part 1 of Division 5 of the Labor Code, that proof be submitted showing that the employer has received such a permit from the Division of Industrial Safety.

SEC. 4. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to fully protect the interests of the public who may work

in unsafe areas, it is imperative that this bill take immediate effect.

CHAPTER 34

An act to add Section 1747.85 to the Civil Code, relating to credit cards.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976.]

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

SECTION 1. Section 1747.85 is added to the Civil Code, to read:

1747.85. Unless requested by the cardholder, no card issuer shall cancel a credit card without having first given the cardholder 30 days' written notice of its intention to do so unless the cardholder is or has been within the last 90 days in default of payment or otherwise in violation of any provision of the agreement between the card issuer and the cardholder governing the cardholder's use of the credit card or unless the card issuer has evidence or reasonable belief that the cardholder is unable or unwilling to repay obligations incurred under the agreement or that an unauthorized use of the card may be made.

CHAPTER 35

An act to add a heading to Article 1 (commencing with Section 35525) of Chapter 2.5 of Part 5 of Division 13 of, to add a heading to Article 2 (commencing with Section 35532) of Chapter 2.5 of Part 5 of Division 13 of, and to add Article 3 (commencing with Section 35539) to Chapter 2.5 of Part 5 of Division 13 of, the Water Code, relating to water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 5, 1976 Filed with Secretary of State March 6, 1976.]

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

SECTION 1. An article heading is added between the heading of Chapter 2.5 (commencing with Section 35525) of Part 5 of Division 13 of the Water Code and Section 35525 of that code, to read:

Article 1. Water Distribution

SEC. 2. An article heading is added between Section 35531 and Section 35532 of the Water Code, to read:

Article 2. Powers

SEC. 3. Article 3 (commencing with Section 35539) is added to Chapter 2.5 of Part 5 of Division 13 of the Water Code, to read:

Article 3. Special Assessments

35539. In addition to, and as an alternative to, the powers contained in this division, the board may by resolution determine and declare that it is necessary to levy a special assessment of an equal amount upon each acre of developed land, upon each acre of undeveloped land, or both, within the district in order to cause just and equitable sharing among the district's landowners of all or any portion of the district obligations for the next year in excess of receipts from water charges, as reflected in the district's annual estimate of obligations filed pursuant to Section 36552 or 37206, and such resolution shall declare that a public hearing shall be held thereon at a specified time and place at which all interested persons may appear and be heard.

35539.1. The resolution shall be published pursuant to Section 6066 of the Government Code in a newspaper of general circulation published in each county in which district lands are located. A copy of the resolution shall be mailed, postage prepaid, to each holder of title to land within the district as shown by the last equalized assessment roll of the district, or, if the district has theretofore elected to use the last equalized county assessment roll or rolls for district assessment purposes, a copy of the resolution shall be mailed, postage prepaid, to each holder of title to land of the county or counties in which district lands are located.

The hearing may be adjourned from time to time at the discretion of the board and at its conclusion the board may determine and by a new resolution declare the amount of and levy a special assessment upon each acre of developed land in an equal amount per acre, upon each acre of undeveloped land in an equal amount per acre, or both, within the district, sufficient to defray all or any part of the district obligations for the next year in excess of receipts from water charges, as reflected in the district's annual statement of obligations filed pursuant to Section 36554 or 37206.

35539.2. No levy of assessment shall be made pursuant to this article unless the resolution pursuant to the hearing is properly made and entered in the records of the district at least 31 days before the time for levying such assessment.

35539.3. If, after the board adopts the resolution of intent to levy and before 30 days after the resolution pursuant to the hearing, the board receives a petition containing the signatures of persons holding title to 5 percent of the land area within the district, the board shall call an election of the qualified voters in the district and submit the resolution to levy the special assessment to the voters for

their approval or rejection. When an election is required pursuant to this section, no levy of assessment pursuant to this article shall be made unless and until the election required by this section is held and the assessment is approved by a majority vote of the qualified voters of the district in such election. The election required in this section shall be called and noticed, held and conducted in the manner provided for bond elections of the district.

35539.4. The resolution pursuant to the hearing, or, when required, the proposition submitted to the qualified voters of the district pursuant to Section 35539.3, shall specify the due date for such special assessment and may provide that it is payable in two equal installments, the first of which shall be delinquent if not paid within five calendar months after the due date and the second of which shall be delinquent if not paid within nine calendar months after the due date, and, if no such provision for payment in installments is made, such resolution or, when required, such election proposition, shall provide that the entire special assessment becomes delinquent if not paid within six months after the due date.

The special assessment shall be collected pursuant to the provisions of Chapters 3, 4, 5 and 6 of Part 7 of this division.

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

These water districts will be making their first water deliveries of State Water Project water in 1976 and special provisions are necessary in order that these districts can solve their cash flow difficulties and at the same time equitably finance their water operations. Under current law, such districts must finance costs which exceed water revenues from ad valorem taxes levied on land only. Sole reliance on such a levy is inequitable because the agricultural lands closer to urban areas would be required to pay a disproportionately larger share per acre than rural lands where, in addition, the water is more greatly needed.

This bill would permit these districts to relieve their cash flow problems and to more equitably finance costs which exceed its water revenues by utilizing a combination of per-acre taxes and ad valorem taxes on land. It is urgent that the land area assessment be authorized and made applicable to the land area in the Kern Delta, Cawelo, Rag Gulch and Kern-Tulare Water Districts during 1976. It is necessary, therefore, that the provisions of this act go into immediate effect.

CHAPTER 36

An act to amend Section 31727.1 of the Government Code, relating to the County Employees Retirement Law of 1937, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 5, 1976. Filed with Secretary of State March 6, 1976.]

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

SECTION 1. Section 31727.1 of the Government Code is amended to read:

31727.1. In counties adopting Section 31676.12, a member upon retirement for non-service-connected disability, who has attained age 62, shall receive his service retirement allowance.

The non-service-connected disability retirement pension for a member under age 62 shall be such an amount as with that portion of a member's annuity provided by his accumulated normal contributions will make his disability retirement allowance equal:

(a) Ninety percent of one-fiftieth of his final compensation multiplied by the number of years of service credited to him, if (1) the member must rely upon service in another retirement system in order to be eligible to retire or (2) such disability retirement allowance exceeds one-third of his final compensation.

(b) If the member is eligible to retire without relying upon service in another retirement system and the disability retirement allowance computed under subdivision (a) does not exceed one-third of his final compensation, 90 percent of one-fiftieth of his final compensation multiplied by the number of years of service which would be creditable to him were his service to continue until attainment by him of age 62, but in such case the retirement allowance shall not exceed one-third of his final compensation.

The amendments to this section during the 1975–76 Regular Session of the Legislature shall not apply in any county until adopted by majority vote of the county supervisors of that county.

SEC. 2. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no additional duties, obligations or responsibilities imposed on local governments by this act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution. The facts constituting such necessity are:

Sections 31676.12 and 31727.1 were added to the Government Code in 1972. As enacted, they failed to prescribe the method for computing the amount of the non-service-connected disability retirement allowance for members age 62 and over, thereby

depriving such members of the allowance to which they were entitled.

CHAPTER 37

An act to amend Section 22507.5 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 9, 1976. Filed with Secretary of State March 9, 1976.]

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

SECTION 1. Section 22507.5 of the Vehicle Code, as amended by Chapter 1213 of the Statutes of 1975, is amended to read:

22507.5. Notwithstanding the provisions of Section 22507, local authorities may, by ordinance or resolution, prohibit or restrict the parking or standing of vehicles on certain streets or highways, or portions thereof, between the hours of 2 a.m. and 6 a.m., and may, by ordinance or resolution, prohibit or restrict the parking or standing, on any street, or portion thereof, in a residential district, of commercial vehicles having a manufacturer's gross vehicle weight rating of 10,000 pounds or more. Such ordinance or resolution relating to parking between the hours of 2 a.m. and 6 a.m. may provide for a system of permits for the purpose of exempting from the prohibition or restriction of such ordinance or resolution handicapped persons and residents of high-density, multiple-family dwelling areas or similar areas lacking adequate offstreet parking facilities. No such ordinance or resolution relating to the parking or standing of commercial vehicles in a residential district shall, however, be effective with respect to any commercial vehicle making pickups or deliveries of goods, wares, and merchandise from or to any building or structure located on the restricted streets or highways or for the purpose of delivering materials to be used in the actual and bona fide repair, alteration, remodeling, or construction of any building or structure upon the restricted streets or highways for which a building permit has previously been obtained.

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

Inasmuch as many persons are receiving parking citations for overnight parking in areas where there is inadequate offstreet parking, it is necessary that this act, alleviating the hardship created thereby, take effect immediately.

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CHAPTER 38

An act to amend Sections 13656 and 13657 of the Education Code, relating to classified school employees.

[Approved by Governor March 12, 1976. Filed with Secretary of State March 12, 1976.]

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

SECTION 1. Section 13656 of the Education Code is amended to read:

13656. All probationary or permanent employees a part of the classified service shall be entitled to the following paid holidays provided they are in a paid status during any portion of the working day immediately preceding or succeeding the holiday: January 1, February 12 known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4, the first Monday in September known as "Labor Day," September 9 known as "Admission Day," November 11 known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," December 25, every day appointed by the President, or the Governor of this state, as provided for in subdivisions (b) and (c) of Section 5201 for a public fast, thanksgiving or holiday, or any day declared a holiday under Section 877 or 5202 for classified or certificated employees. School recesses during the Christmas and Easter periods shall not be considered holidays for classified employees who are normally required to work during that period; provided, however, that this shall not be construed as affecting vacation rights specified in Section 13656.

Regular employees of the district who are not normally assigned to duty during the school holidays of December 25 and January 1 shall be paid for those two holidays provided that they were in a paid status during any portion of the working day of their normal assignment immediately preceding or succeeding the holiday period.

When a holiday herein listed falls on a Sunday, the following Monday shall be deemed to be the holiday in lieu of the day observed. When a holiday herein listed falls on a Saturday, the preceding Friday shall be deemed to be the holiday in lieu of the day observed. When a classified employee is required to work on any of said holidays, he shall be paid compensation, or given compensating time off, for such work, in addition to the regular pay received for the holiday, at the rate of time and one-half his regular rate of pay.

The provisions of Article 3 (commencing with Section 5201) of Chapter 2 of Division 6 shall not be construed to in any way limit the provisions of this section, nor shall anything in this section be construed to prohibit the governing board from adopting separate

work schedules for the certificated and the classified services, or from providing holiday pay for employees who have not been in paid status on the days specified herein. Notwithstanding the adoption of separate work schedules for the certificated and the classified services, on any schoolday during which pupils would otherwise have been in attendance but are not and for which certificated personnel receive regular pay, classified personnel shall also receive regular pay whether or not they are required to report for duty that day.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 5 (commencing with Section 13701) of this chapter.

SEC. 2. Section 13657 of the Education Code is amended to read:

13657. Any days of absence for illness or injury earned pursuant to Section 13651.1, may be used by the probationary or permanent employee, at his election, in cases of personal necessity, including any of the following:

(a) Death of a member of his immediate family when additional leave is required beyond that provided in Section 13651.4 and that provided, in addition thereto, as a right by the governing board.

(b) Accident, involving his person or property, or the person or property of a member of his immediate family.

(c) Appearance in any court or before any administrative tribunal as a litigant, party, or witness under subpoena or any order made with jurisdiction.

(d) Such other reasons which may be prescribed by the governing board.

The governing board of each school district shall adopt rules and regulations requiring and prescribing the manner of proof of personal necessity for the purpose of this section. No earned leave in excess of six days may be used in any school year for the purposes enumerated in this section.

Immediate family has the same meaning as provided in Section 13651.4.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 5 (commencing with Section 13701) of this chapter.

This section shall also apply to school districts that may be exempted from the provisions of Section 13651.1. Authorized necessity leave shall be deducted from sick leave earned under the provisions of the exemption of Section 13651.1.

CHAPTER 39

An act to amend Section 980 of the Military and Veterans Code and Section 205 of the Revenue and Taxation Code, relating to veterans' benefits.

[Approved by Governor March 15, 1976. Filed with Secretary of State March 15, 1976.]

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

SECTION 1. Section 980 of the Military and Veterans Code is amended to read:

980. As used in this chapter, "veteran" means any citizen of the United States who served in the active military, naval or air service of the United States on or after April 6, 1917, and prior to November 12, 1918, and received an honorable discharge therefrom or was released from active duty under honorable conditions and who was, at the time of his entry into active duty, a native of or a bona fide resident of this state, or who, if a minor at such time, entered active duty while in the State of California and had lived in this state for six months immediately preceding his entry into active duty; or any person who served in the active military, naval, or air service of the United States for a period of not less than 90 consecutive days or was discharged from the service due to a service-connected disability within such 90-day period, any portion of which was on or after December 7, 1941, and prior to January 1, 1947, and received an honorable discharge therefrom or was released from active duty under honorable conditions and who was at the time of his entry into active duty a native of or bona fide resident of this state, or who, if a minor at such time, entered active duty while in the State of California and had lived in this state for six months immediately preceding his entry into active duty; or any person who served in the active military, naval or air service of the United States for a period of not less than 90 consecutive days or was discharged from the service due to a service-connected disability within such 90-day period, any portion of which was on or after June 27, 1950, and prior to February 1, 1955, or any person who served in the active military, naval, or air service of the United States for a period of not less than 90 consecutive days or was discharged from the service due to a service-connected disability within such 90-day period, any portion of which was on after August 5, 1964, and prior to May 6, 1975, or in time of peace in a campaign or expedition for service in which a medal has been authorized by the government of the United States, and received an honorable discharge therefrom or was released from active duty under honorable conditions and who was at the time of his entry into active duty a native of or a bona fide resident of this state or who, if a minor at such time, entered active duty while in the State of California and had lived in this state for six months immediately preceding his entry into active duty.

This chapter does not include:

(a) A person who was separated from such forces under other than honorable conditions.

(b) A person who was separated from such forces on account of alienage.

(c) A person who performed no military duty whatever or refused to wear the uniform.

(d) A person who has received from another state a bonus, compensation, or benefit, the prerequisite of which is service in such forces, which service is the basis for the claim of benefits under this chapter.

(e) A person who served only in an auxiliary or reserve component of the armed forces whose service therein did not exempt him from the operation of the Selective Training and Service Act of 1940.

(f) A person whose service with the armed forces was due to temporary active duty orders for the sole purpose of training duty, processing or a physical examination.

SEC. 2. Section 205 of the Revenue and Taxation Code is amended to read:

205. The veterans' exemption is as specified in subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution.

The following are wars under subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution:

(a) Revolutionary War, April 19, 1775–January 14, 1784.

(b) Second War With England, June 18, 1812–February 17, 1815.

(c) Black Hawk War, April 6, 1832–August 2, 1832.

(d) War With Mexico, April 24, 1846–May 30, 1848.

(e) Civil War, April 18, 1861–August 20, 1866.

(f) War With Spain, April 21, 1898–April 11, 1899.

(g) War in Philippines, April 11, 1899–July 4, 1902.

(h) Chinese Relief Expedition, June 20, 1900–May 15, 1901.

(i) Campaign against the Rogue River, Yakima, Nez Percé, and Snake Indians in Oregon and Washington, 1855–1856.

(j) Campaign against the Indians in southern Oregon and Idaho and northern California and Nevada, 1865–1868.

(k) Campaign against the Cheyennes, Arapahoes, Kiowas, and Comanches in Kansas, Colorado, and Indian Territory, 1867–1869.

(*l*) Modoc War, 1872–1873.

(m) Campaign against the Apaches in Arizona, 1873.

(n) Campaign against the Kiowas, Comanches, and Cheyennes in Kansas, Colorado, Texas, Indian Territory, and New Mexico, 1874–1875.

(o) Campaign against the Northern Cheyennes and Sioux, 1876–1877.

(p) Nez Percé War, 1877.

(q) Bannock War, 1878.

(r) Campaign against the Northern Cheyennes, 1878–1879.

(s) Campaign against the Ute Indians in Colorado and Utah, September, 1879–November, 1880.

(t) Campaign against the Apache Indians in Arizona, 1885–1886.

(u) Campaign against the Sioux Indians in South Dakota, November, 1890–January, 1891.

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(v) War With Germany-Austria, April 6, 1917–November 11, 1918.
(w) Campaign against the Apache Indians in Arizona, 1895–1896.
(x) World War II, December 7, 1941, to January 1, 1947.
(y) Campaign against the North Koreans and Chinese Communists in Korea, June 27, 1950, to January 31, 1955.
(z) Campaign against the Viet Cong and North Vietnamese Communists in South Vietnam, August 5, 1964, to May 6, 1975.

The following are campaigns under subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution:
(a) First Nicaraguan campaign.
(b) Second Nicaraguan campaign.
(c) Yangtze River campaign in China.
(d) All other campaigns for service in which a medal has been issued by the Congress of the United States.

CHAPTER 40

An act to amend Sections 58752 and 58753 of the Government Code, relating to districts securities investigation.

[Approved by Governor March 15, 1976. Filed with Secretary of State March 15, 1976.]

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

SECTION 1. Section 58752 of the Government Code is amended to read:

58752. The issuance of any proposed district bonds shall be subject to prior investigation, report, and approval by the State Treasurer whenever either of the following conditions are present:

(a) In the event that the proposed bonds are to be secured by a tax or assessment on land and improvements, when the amount of outstanding district indebtedness plus the principal amount of the proposed district bonds exceed 200 percent of the assessed value of the land and improvements within the district as shown on the last equalized county assessment roll; or

(b) In the event that the proposed bonds are to be secured by a tax or assessment on land only, when the amount of outstanding district indebtedness plus the principal amount of the proposed district bonds shall exceed 200 percent of the assessed value of the land within the district as shown on the last equalized county assessment roll.

Whenever either of the foregoing conditions exist, no district bonds shall be issued until after investigation, report, and approval by the State Treasurer.

The provisions of this section shall not apply to bonds issued pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code) or the

Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

SEC. 2. Section 58753 of the Government Code is amended to read:

58753. The issuance of any proposed subdistrict bonds shall be subject to prior investigation, report, and approval by the State Treasurer whenever the sum of the following amounts shall exceed 200 percent of the assessed value of land and improvements within the subdistrict as shown on the last equalized county assessment roll:

(1) An amount equal to the subdistrict's share of any outstanding district indebtedness, such share being in the proportion that the assessed value of land and improvements within the territory of such subdistrict bears to the assessed value of land and improvements within the entire territory of the district;

(2) An amount equal to the unpaid principal amount of all subdistrict bonds theretofore issued for said subdistrict;

(3) The principal amount of the proposed bonds.

In the event that the proposed bonds of the subdistrict are to be secured by a tax on land only, the limitations of this section shall be 200 percent of the assessed value of land within the subdistrict as shown on the last equalized county assessment roll, instead of the assessed value of land and improvements as shown on such roll.

Whenever the foregoing condition exists, no subdistrict bonds shall be issued until after investigation, report, and approval by the State Treasurer.

CHAPTER 41

An act to amend Section 25503.1 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor March 15, 1976. Filed with Secretary of State March 15, 1976.]

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

SECTION 1. Section 25503.1 of the Business and Professions Code is amended to read:

25503.1. (a) Anything in this division to the contrary notwithstanding, any manufacturer, winegrower, manufacturer's agent, rectifier, distiller, bottler, importer, or wholesaler, or any officer, director, or agent of any such person is authorized:

(1) Only in connection with alcoholic beverages manufactured, produced or sold by such licensee, to install, service and set up window displays, promotional materials, and temporary floor displays holding merchandise in the premises of an off-sale retail licensee.

(2) Only in connection with alcoholic beverages manufactured,

produced or sold by such licensee, to furnish, give, lend, rent or sell decorations and decorative materials, including holiday decorations, paintings and pictures, to an off-sale retail licensee for use in the windows and elsewhere in the interior of the retail premises in connection with advertising and promotional material or displays in the premises of such retailer; provided, that the advertising and promotional material shall have no intrinsic value other than as advertising and that the total original cost of all such decorations and decorative materials, including holiday decorations, paintings and pictures furnished by any licensee and in use at any one time in any one off-sale retail premise does not exceed fifteen dollars ($15); and provided, that the licensee or any officer, director or agent of such licensee shall not directly or indirectly pay or credit the retailer for the display of such decorations or decorative materials or for any expense incidental to their operation.

(3) To furnish, give, lend, rent or sell to an off-sale retailer who sells the alcoholic beverages of such licensee, newspaper cuts, mats, or engraved blocks for use in the retailer's advertisements relating to such alcoholic beverages.

(b) Anything in this chapter to the contrary notwithstanding, any holder of a wholesaler's license may manufacture, and distribute, sell, or rent any lawful product to any person engaged in operating, owning, or maintaining any retail premises where alcoholic beverages are sold; provided, however, that such products are sold or rented by the holder of the wholesaler's license to the licensee at a price not less than the current market price for such product; and provided, further, that the manufacturer and importer of alcoholic beverages shall be controlled by the other applicable provisions of this division.

CHAPTER 42

An act to amend Section 830.3 of the Penal Code, relating to peace officers.

[Approved by Governor March 15, 1976 Filed with Secretary of State March 15, 1976.]

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

SECTION 1. Section 830.3 of the Penal Code is amended to read:

830.3. (a) The Deputy Director, assistant directors, chiefs, assistant chiefs, special agents, and narcotics agents of the Department of Justice, and such investigators who are so designated by the Attorney General, are peace officers.

The authority of any such peace officer extends to any place in the state as to a public offense committed or which there is probable cause to believe has been committed within the state.

(b) Any inspector or investigator regularly employed and paid as such in the office of a district attorney is a peace officer.

The authority of any such peace officer extends to any place in the state:

(1) As to any public offense committed, or which there is probable cause to believe has been committed, within the county which employs him; or

(2) Where he has the prior consent of the chief of police, or person authorized by him to give such consent, if the place is within a city or of the sheriff, or person authorized by him to give such consent, if the place is within a county; or

(3) As to any public offense committed or which there is probable cause to believe has been committed in his presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of such offense.

(c) The Director of the Department of Alcoholic Beverage Control and persons employed by such department for the enforcement of the provisions of Division 9 (commencing with Section 23000) of the Business and Professions Code are peace officers; provided, that the primary duty of any such peace officer shall be the enforcement of the laws relating to alcoholic beverages, as that duty is set forth in Section 25755 of the Business and Professions Code. Any such peace officer is further authorized to enforce any penal provision of law while, in the course of his employment, he is in, on, or about any premises licensed pursuant to the Alcoholic Beverage Control Act.

(d) The Chief and investigators of the Division of Investigation of the Department of Consumer Affairs, and investigators of the Board of Medical Quality Assurance, are peace officers; provided, that the primary duty of any such peace officer shall be the enforcement of the law as that duty is set forth in Section 160 of the Business and Professions Code.

(e) (1) Members of the Wildlife Protection Branch of the Department of Fish and Game deputized pursuant to Section 856 of the Fish and Game Code are peace officers. The authority of any such peace officers extends to any place in the state as to a public offense committed or which there is probable cause to believe has been committed within the state.

(2) Other deputies of the Department of Fish and Game deputized pursuant to Section 851 of the Fish and Game Code, and county fish and game wardens deputized pursuant to Section 875 of such code, are peace officers, provided that the exclusive duty of such deputies or county fish and game wardens shall be the enforcement of the provisions of the Fish and Game Code and the regulations made pursuant thereto.

(f) The State Forester and such employees or classes of employees of the Division of Forestry of the Department of Conservation and voluntary fire wardens as are designated by him pursuant to Section

4156 of the Public Resources Code are peace officers; provided, that the primary duty of any such peace officer shall be the enforcement of the law as that duty is set forth in Section 4156 of such code.

(g) Officers and employees of the Department of Motor Vehicles designated in Section 1655 of the Vehicle Code are peace officers; provided, that the primary duty of any such peace officer shall be the enforcement of the law as that duty is set forth in Section 1655 of such code.

(h) The secretary, chief investigator, and racetrack investigators of the California Horse Racing Board are peace officers; provided, that the primary duty of any such peace officer shall be the enforcement of the provisions of Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code and Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code. Any such peace officer is further authorized to enforce any penal provision of law while, in the course of his employment, he is in, on, or about any horseracing enclosure licensed pursuant to the Horse Racing Law.

(i) Police officers of a regional park district, appointed or employed pursuant to Section 5561 of the Public Resources Code, and officers and employees of the Department of Parks and Recreation designated by the director pursuant to Section 5008 of such code are peace officers; provided, that the primary duty of any such peace officer shall be the enforcement of the law as such duties are set forth in Sections 5561 and 5008, respectively, of such code.

(j) The State Fire Marshal and assistant or deputy state fire marshals appointed pursuant to Section 13103 of the Health and Safety Code are peace officers; provided that the primary duty of any such peace officer shall be the enforcement of the law as that duty is set forth in Section 13104 of such code.

(k) Members of an arson-investigating unit, regularly employed and paid as such, of a fire protection agency of the state, of a county, city, or district, and members of a fire department of a local agency regularly paid and employed as such, are peace officers; provided, that the primary duty of arson investigators shall be the detection and apprehension of persons who have violated or who are suspected of having violated any fire law, and the exclusive duty, except as provided in Section 8597 of the Government Code, of fire department members other than arson investigators when acting as peace officers shall be the enforcement of laws relating to fire prevention and fire suppression. Notwithstanding the provisions of Section 171c, 171d, 12027, or 12031, members of fire departments other than arson investigators are not peace officers for purposes of such sections except when designated as peace officers for such purposes by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution.

(*l*) The Chief and such inspectors of the Bureau of Food and Drug as are designated by him pursuant to subdivision (a) of Section 216

of the Health and Safety Code are peace officers; provided, that the exclusive duty of any such peace officer shall be the enforcement of the law as that duty is set forth in Section 216 of such code.

(m) Persons designated by a local agency as park rangers, and regularly employed and paid as such, are peace officers; provided, that the primary duty of any such peace officer shall be the protection of park property and preservation of the peace therein. Notwithstanding the provisions of Section 171c, 171d, 12027, or 12031, such park rangers are not peace officers for purposes of such sections except when designated as peace officers for such purposes by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution.

(n) Members of a community college police department appointed pursuant to Section 25429 of the Education Code are peace officers; provided that the primary duty of any such peace officer shall be the enforcement of the law as prescribed in Section 25429 of the Education Code.

(o) All investigators of the Division of Labor Law Enforcement, as designated by the Labor Commissioner, are peace officers; provided that the primary duty of any such peace officer shall be enforcement of the law as prescribed in Section 95 of the Labor Code.

(p) The authority of any peace officer listed in subdivisions (c) through (o), inclusive, extends to any place in the state; provided, that except as otherwise provided in this section, Section 830.6 of this code, or Section 8597 of the Government Code, any such peace officer shall be deemed a peace officer only for purposes of his primary duty, and shall not act as a peace officer in enforcing any other law except:

(1) When in pursuit of any offender or suspected offender; or

(2) To make arrests for crimes committed, or which there is probable cause to believe have been committed, in his presence while he is in the course of his employment; or

(3) When, while in uniform, such officer is requested, as a peace officer, to render such assistance as is appropriate under the circumstances to the person making such request, or to act upon his complaint, in the event that no peace officer otherwise authorized to act in such circumstances is apparently and immediately available and capable of rendering such assistance or taking such action.

CHAPTER 43

An act to repeal Section 75.7 of the Streets and Highways Code, relating to state highways.

[Approved by Governor March 15, 1976. Filed with Secretary of State March 15, 1976.]

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

SECTION 1. Section 75.7 of the Streets and Highways Code is repealed.

CHAPTER 44

An act making an appropriation to the Department of Justice to pay the claim of Idella Boyd, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1976. Filed with Secretary of State March 15, 1976.]

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

SECTION 1. The sum of eighty thousand dollars ($80,000) is hereby appropriated from the General Fund to the Department of Justice for the payment of the claim of Idella Boyd against the State Department of Health in an action brought in Ventura Superior Court.

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

In order to pay the claim of Idella Boyd and end a hardship to this person as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 45

An act to amend Section 4157 of the Food and Agricultural Code, relating to racetracks, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1976 Filed with Secretary of State March 15, 1976.]

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

SECTION 1. Section 4157 of the Food and Agricultural Code is amended to read:

4157. The Director of Finance may enter into an agreement prior to September 1, 1976, with the State Race Track Leasing Commission and the 22nd District Agricultural Association to commit the state to advance to the Architecture Revolving Fund a sum of not to exceed six hundred thousand dollars ($600,000), if needed, for the

construction of improvements at Del Mar Race Track as described in work order AFD 410 of the Office of Architecture and Construction. Any such commitment shall be deemed, with respect to the project for which it is made, to constitute a deposit of funds available for expenditure by the Department of General Services for the purposes of Section 14957 of the Government Code. The Director of Finance, to the extent necessary to honor such commitment, shall authorize by executive order the withdrawal of an amount or amounts from the General Fund in the State Treasury not to exceed six hundred thousand dollars ($600,000) for transfer to the Architecture Revolving Fund. Any amount so transferred shall be used solely for the project for which the commitment was made and shall not exceed the amount necessary for the project, after deducting from the commitment the amount of all funds in the Del Mar Capital Improvement Account. Any sums so transferred shall be repaid to the General Fund, with simple interest at the average rate earned by the Pooled Money Investment Account for the month in which the transfer is made, from the first moneys placed in the Del Mar Capital Improvement Account (created by lease agreement of January 8, 1969, between the State Race Track Leasing Commission and the Del Mar Thoroughbred Club) not needed for the project for which the commitment was given; provided, that, in any case, such repayment in full with interest as specified shall be made from funds in such improvement account prior to October 1, 1978.

SEC. 2. There is hereby appropriated from the General Fund in the State Treasury to the Director of Finance the sum of six hundred thousand dollars ($600,000), or as much thereof as may be necessary, for the purpose of Section 4157 of the Food and Agricultural Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Improvements to the Del Mar Race Track, which is leased by the State Race Track Leasing Commission, are urgently needed. Although it is anticipated that subsequently there will be ample funds in the Del Mar Capital Improvement Account to finance the same as the work progresses, in order to allow the call for bids and other contract procedures to commence on approximately March 1, 1976, so that the same may culminate in construction immediately following the 1976 Del Mar racing meet, it is necessary that this act go into effect immediately.

CHAPTER 46

An act to add Section 22790.2 to the Government Code, relating to employee health benefit plans.

[Approved by Governor March 17, 1976. Filed with Secretary of State March 17, 1976.]

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

SECTION 1. Section 22790.2 is added to the Government Code, to read:

22790.2. Notwithstanding Section 10270.5 of the Insurance Code, an employee who is presently a member of a basic health benefit plan or major medical plan, and who terminates his membership in an employee organization shall not become ineligible for membership in such plan because of his termination of membership in the employee organization, assuming such an employee meets other eligibility criteria and conditions.

CHAPTER 47

An act to amend Section 205.5 of the Revenue and Taxation Code, relating to taxation and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 17, 1976. Filed with Secretary of State March 17, 1976.]

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

SECTION 1. Section 205.5 of the Revenue and Taxation Code, as amended by Chapter 662 of the Statutes of 1975, is amended to read:

205.5. (a) The property which constitutes the home of a resident of this state who is a veteran as specified in subdivisions (o), (p), and (r) of Section 3 of Article XIII of the Constitution and which is the principal place of residence of the veteran or the veteran's unmarried surviving spouse is exempt from taxation on that part of the assessed value of the residence that does not exceed ten thousand dollars ($10,000), if the veteran, because of injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled.

(b) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and being totally disabled means that the United States Veterans Administration or the military service from which such veteran was

discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(c) No person shall be eligible for this exemption unless he or she was a resident of California at the time of his or her entry into military or naval service, or unless he or she was a resident of the state on November 7, 1972, if he or she is blind or has lost the use of two or more limbs, or on the effective date of this section, if he or she is totally disabled.

(d) This exemption includes the home of such a person owned in either joint, common or community interest with his or her spouse and the home of such a person which is owned by a corporation of which he or she is a shareholder when the rights of shareholding entitle one to possession of a home owned by the corporation. The exemption provided by this section shall be shown on the local roll and shall reduce the assessed value of such corporation. Notwithstanding any provision of law or articles of incorporation or bylaws of such corporation to the contrary, it is the intent of the Legislature that any reduction of property taxes paid by such corporation shall reflect an equal reduction in any charges by such corporation to the veteran who, by reason of his qualifying under subdivision (a), made possible such reduction for such corporation.

(e) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of any other property tax exemption to which the claimant may be entitled, and no property tax exemption may be claimed by any other person with respect to the same home for which an exemption has been granted under the provisions of this section.

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

In order that disabled veterans receive the benefits of this act and to eliminate the unnecessary duplication of administrative efforts at the earliest time, this act must go into effect immediately.

CHAPTER 48

An act to amend Section 35550 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 17, 1976. Filed with Secretary of State March 17, 1976]

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

SECTION 1. Section 35550 of the Vehicle Code is amended to read:

35550. (a) The gross weight imposed upon the highway by the wheels on any one axle of a vehicle shall not exceed 20,000 pounds and the gross weight upon any one wheel, or wheels, supporting one end of an axle, and resting upon the roadway, shall not exceed 10,500 pounds, except that the gross weight imposed upon the highway by the wheels on any front steering axle of a motor vehicle shall not exceed 12,500 pounds.

(b) The gross weight limit provided for weight bearing upon any one wheel, or wheels, supporting one end of an axle shall not apply to vehicles the loads of which consist of livestock.

(c) The following vehicles are exempt from the front axle weight limits specified in this section:

(1) Trucks transporting vehicles.

(2) Trucks transporting livestock.

(3) Dump trucks.

(4) Cranes.

(5) Buses.

(6) Transit mix concrete or cement trucks, and trucks that mix concrete or cement at, or adjacent to, a jobsite

(7) Motor vehicles that are not commercial vehicles.

(8) Vehicles operated by any public utility furnishing electricity, gas, water, or telephone service.

(9) Trucks or truck tractors with a front axle at least four feet to the rear of the foremost part of the truck or truck tractor, not including the front bumper.

(10) Trucks transporting garbage, rubbish, or refuse.

(11) Trucks equipped with a fifth wheel when towing a semitrailer.

(12) Tank trucks which have a cargo capacity of at least 1,500 gallons.

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

Section 35550 of the Vehicle Code was amended by Chapter 651 of the Statutes of 1975 to limit the gross weight imposed upon the highway by the wheels on any front steering axle of a motor vehicle to 12,500 pounds. Several types of vehicles with steering axles designed to carry weight in excess of 12,500 pounds were exempted from this limitation.

Three types of these vehicles were overlooked and must be added to the list of exemptions to avoid discrimination and economic hardship.

In order to achieve its intended results, it is necessary that this act take effect immediately.

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CHAPTER 49

An act to amend Sections 1518 and 1540 of, and to add Section 1577 to, the Code of Civil Procedure, relating to unclaimed property.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 1518 of the Code of Civil Procedure is amended to read:

1518. (a) All tangible personal property located in this state and, subject to Section 1510, all intangible personal property, and the income or increment on such tangible or intangible property, held in a fiduciary capacity for the benefit of another person escheats to this state if after it becomes payable or distributable, the owner has not, within a period of seven years, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary.

(b) For the purpose of this section, when a person holds property as an agent for a business association, he is deemed to hold such property in a fiduciary capacity for the business association alone, unless the agreement between him and the business association clearly provides the contrary. For the purposes of this chapter, if a person holds property in a fiduciary capacity for a business association alone, he is the holder of the property only insofar as the interest of the business association in such property is concerned and the association is deemed to be the holder of the property insofar as the interest of any other person in the property is concerned.

SEC. 2. Section 1540 of the Code of Civil Procedure is amended to read:

1540. (a) Any person, excluding another state, who claims an interest in property paid or delivered to the State Controller under this chapter may file a claim to the property or to the net proceeds from its sale. The claim shall be on a form prescribed by the State Controller and shall be verified by the claimant.

(b) The State Controller shall consider each claim within 90 days after it is filed. He may hold a hearing and receive evidence. He shall give written notice to the claimant if he denies the claim in whole or in part. Such notice may be given by mailing it to the address, if any, stated in the claim as the address to which notices are to be sent. If no such address is stated in the claim, the notice may be mailed to the address, if any, of the claimant as stated in the claim. No notice of denial need be given if the claim fails to state either an address to which notices are to be sent or an address of the claimant.

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SEC. 3. Section 1577 is added to the Code of Civil Procedure, to read:

1577. In addition to any damages, penalties, or fines for which a person may be liable under other provisions of law, any person who fails to report or pay or deliver unclaimed property within the time prescribed by this chapter, shall pay to the State Controller interest at the rate of 12 percent per annum on such property or value thereof from the date such property should have been paid or delivered.

CHAPTER 50

An act to amend Section 65150 of the Government Code, relating to local planning.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 65150 of the Government Code is amended to read:

65150. When a county or city planning commission is created, the organization thereof, the number of members thereof, their terms of office and the method of their appointment and removal, shall be as provided by local ordinance; provided, however, that each county or city planning commission shall have at least five (5) members.

CHAPTER 51

An act to amend Section 3363.6 of the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 3363.6 of the Labor Code is amended to read:

3363.6. Notwithstanding Sections 3351 and 3352, a person who performs voluntary service without pay for a private, nonprofit organization which is exempt from federal income tax under subsection (c) of Section 501 of the Internal Revenue Code, as designated and authorized by the board of directors of the organization, shall, when the board of directors of the organization, in its sole discretion, so declares, be deemed an employee of the

organization for purposes of this division while performing such service.

For purposes of this section, "voluntary service without pay" shall include the performance of services by a parent, without remuneration in cash, when rendered to a cooperative parent participation nursery school if such service is required as a condition of participation in the organization.

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

There is some administrative confusion as to whether certain volunteers for nonprofit organizations are employees for purposes of workers' compensation while performing such services. In order to clarify the rights of individuals under the Workers' Compensation Law as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 52

An act to amend Section 190 of, and to repeal Sections 191 and 192 of, the Water Code, relating to regional water resources.

[Approved by Governor March 19, 1976 Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 190 of the Water Code is amended to read:

190. Whenever the State of California is specifically invited by federal law to participate in any interstate commission to plan for the regional development of water and related resources, the Governor shall appoint each California member of such commission. The appointment of each such member shall be subject to confirmation by the Senate, and the member appointed shall serve at the pleasure of the Governor.

The provisions of this section shall also apply to the Western States Water Council established by the Western Governors' Conference at its meeting in Portland, Oregon, in June 1965.

Each member appointed by the Governor to the Western States Water Council shall receive the actual and necessary expenses incurred by him in the performance of his duties as a member, including travel expenses. Additionally, each such member, except persons who are officers or employees of the state, shall receive a compensation of twenty-five dollars ($25) for each day such member is engaged in the performance of his duties as a member. Such expenses and compensation shall be paid from the budget of the Department of Water Resources.

The provisions of this section do not in any manner affect the provisions of Section 123 which provide for state administration of interstate compacts relative to the distribution and use of the waters of any interstate streams or bodies of water.

SEC. 2. Section 191 of the Water Code is repealed.

SEC. 3. Section 192 of the Water Code is repealed.

CHAPTER 53

An act making an appropriation for the support of the California Ecology Corps, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. The sum of one million one hundred sixty-two thousand dollars ($1,162,000) is hereby appropriated from the General Fund to the Department of Conservation in augmentation of Item 229 of the Budget Act of 1975, for the support of the California Ecology Corps in the Division of Forestry of the Department of Conservation, during the 1975–76 fiscal year, to meet increased costs due to minimum wage requirements imposed by the 1974 amendments to the Federal Fair Labor Standards Act of 1938.

SEC. 2. The Legislative Analyst shall conduct a study of the effectiveness of the California Ecology Corps program and shall report his findings and recommendations to the Legislature on or before January 1, 1977.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Additional funds are urgently needed for the support of the California Ecology Corps in order to raise corpsmen wages to the minimum level required by January 1, 1975, pursuant to the Federal Fair Labor Standards Amendments of 1974. Without such funds, it will be necessary to reduce the number of corpsmen and such reduction in corps strength would impair the ability of the Division of Forestry to meet its watershed, fire, and other environmental protection responsibilities. It is, thus, necessary that this act take immediate effect.

CHAPTER 54

An act to repeal Section 10800.1 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 10800.1 of the Welfare and Institutions Code is repealed.

CHAPTER 55

An act to amend Section 11514 of the Vehicle Code, relating to vehicles.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 11514 of the Vehicle Code is amended to read:

11514. (a) An automobile dismantler's established place of business and such other sites or locations as may be operated and maintained by such automobile dismantler in conjunction with his principal established place of business shall have posted, in a place conspicuous to the public in each and every site or location, the license issued by the department and shall have erected or posted thereon such signs or devices providing information relating to the automobile dismantler's name and the location and address of his established place of business so as to enable any person doing business with such automobile dismantler to identify him properly. Every such sign erected or posted on an established place of business shall have an area of not less than 32 square feet per side displayed and shall contain lettering not less than six inches in height. The sign shall indicate the the nature of the dismantler's business by inclusion of "Automobile Dismantler", "Automobile Wrecker", "Motorcycle Dismantler," "Trailer Dismantler," "Vehicle Dismantler," or a combination of such designations on such sign.

(b) Any local authority may provide for a sign and lettering smaller than that specified in subdivision (a); however, no local authority shall require a sign to have an area of less than four square feet per side displayed.

CHAPTER 56

An act to amend Section 8104 the Elections Code, relating to the Secretary of State.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 8104 of the Elections Code is amended to read:

8104. The Secretary of State shall keep and file appointments to each state and county central committee delivered to him and such appointments shall be open to public inspection. Each county clerk shall notify the Secretary of State within 30 days of the election or appointment of any member of a county central committee for each qualified political party.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any costs incurred by it under this act.

CHAPTER 57

An act to add and repeal Section 987.15a of the Military and Veterans Code, relating to veterans, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 987.15a is added to the Military and Veterans Code, to read:

987.15a. The department may acquire a home in which the veteran has an interest of record where the veteran acquired such interest of record between November 13, 1972, the date such veteran's benefits under this article were terminated by legislative act, and January 1, 1974, the date such veteran's benefits under this article were reestablished by legislative act, and the veteran shall be granted such benefits provided application is made therefor with respect to a home acquired during such interim period of noneligibility on or before June 30, 1976.

This section shall remain in effect only until January 1, 1977, and as of such date is repealed unless a later enacted statute, which is chaptered before January 1, 1977, deletes or extends such date.

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

In order to alleviate undue hardship and provide needed relief as quickly as possible, it is necessary that this act become effective immediately.

CHAPTER 58

An act to amend Section 239 of the Public Utilities Code, relating to warehousemen.

[Approved by Governor March 19, 1976. Filed with Secretary of State March 20, 1976.]

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

SECTION 1. Section 239 of the Public Utilities Code is amended to read:

239. "Warehouseman" includes the following:

(a) Every corporation or person owning, controlling, operating or managing any building or structure in which property, other than commodities stored or processed in cold storage or refrigerated warehouses or plants, and other than liquid petroleum commodities in bulk, and other than baled cotton, is regularly stored for compensation within this state, in connection with or to facilitate the transportation of property by a common carrier or vessel, or the loading or unloading of property, other than liquid petroleum commodities in bulk, and other than a dock, wharf, or structure, owned, operated, controlled, or managed by a wharfinger.

(b) Every corporation or person owning, controlling, operating, or managing any building, structure, or warehouse, in which merchandise, other than secondhand household goods or effects, and other than commodities stored or processed in cold storage or refrigerated warehouses or plants, and other than liquid petroleum commodities in bulk, and other than baled cotton, and other than merchandise sold but retained in the custody of the vendor, is stored for the public or any portion thereof, for compensation, within this state, except warehouses conducted by any nonprofit, cooperative association or corporation which is engaged in the handling or marketing of the agricultural products of its members and warehouses conducted by the agents, individual or corporate, of such associations or corporations, while acting within the limitations imposed by law on their principals.

(c) Every corporation or person owning, controlling, operating or managing any building, structure, warehouse, elevator, or plant in which food commodities, received from the public or any portion

thereof, are stored for compensation, but not including cold storage plants and refrigerating plants, private homes, hotels, restaurants, or exclusively retail establishments, or others not storing articles of food for other persons for compensation. "Food commodities" means all products, stuffs, preparations, substances, or articles which are customary or proper for food for human beings, and includes meat and meat products, fruit, vegetables, fresh fish, shellfish, game, poultry, eggs, butter, cheese, and milk.

CHAPTER 59

An act to add Section 1374 to Article 5 (commencing with Section 1367) of Chapter 2.2 of Division 2 of the Health and Safety Code, and to add Sections 10122.2, 10123.4, 11073, and 11512.9 to the Insurance Code, relating to health insurance.

[Approved by Governor March 22, 1976. Filed with Secretary of State March 22, 1976.]

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

SECTION 1. Section 1374 is added to Article 5 (commencing with Section 1367) of Chapter 2.2 of Division 2 of the Health and Safety Code, as added by Chapter 941 of the Statutes of 1975, to read:

1374. If a health care service plan entered into, amended, or renewed in this state on or after the effective date of this section provides in any manner for coverage for an employee and a covered spouse dependent on such employee, the plan shall not provide for coverage under conditions less favorable for employees than coverage provided for covered spouses dependent upon the employees.

SEC. 2. Section 10122.2 is added to the Insurance Code, to read:

10122.2. If a policy of group disability insurance issued, delivered, amended, or renewed in this state on or after the effective date of this section provides in any manner for coverage for an employee and a covered spouse dependent upon such employee, the policy shall not provide for coverage under conditions less favorable for employees than coverage provided for covered spouses dependent upon the employees.

SEC. 3. Section 10123.4 is added to the Insurance Code, to read:

10123.4. If a self-insured employee welfare benefit plan issued, amended, or renewed in this state on or after the effective date of this section provides in any manner for coverage for an employee and a covered spouse dependent upon such employee, the plan shall not provide for coverage under conditions less favorable for employees than coverage provided for covered spouses dependent upon the employees.

As used in this section, "self-insured employee welfare benefit

plan" has the same meaning as that specified in subdivision (b) of Section 10121.

SEC. 4. Section 11073 is added to the Insurance Code, to read:

11073. If the contract of a society entered into, amended, or renewed in this state on or after the effective date of this section provides in any manner for coverage for an employee and a covered spouse dependent upon such employee, the contract shall not provide for coverage under conditions less favorable for employees than coverage provided for covered spouses dependent upon the employees.

SEC. 5. Section 11512.9 is added to the Insurance Code, to read:

11512.9. If a nonprofit hospital service contract entered into, amended, or renewed in this state on or after the effective date of this section provides in any manner for coverage for an employee and a covered spouse dependent upon such employee, the contract shall not provide for coverage under conditions less favorable for employees than coverage provided for covered spouses dependent upon the employees.

CHAPTER 60

An act to amend Section 222 of the Fish and Game Code, relating to fish and game.

[Approved by Governor March 22, 1976. Filed with Secretary of State March 22, 1976.]

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

SECTION 1. Section 222 of the Fish and Game Code is amended to read:

222. A copy of the booklet published pursuant to Section 217 may be given by the issuer of the license to every license purchaser at the time he purchases his license. It shall be the booklet containing the latest regulations so printed applicable to the activity authorized by the license being purchased.

Such booklet shall contain in the front portion the following:

COMMISSION

The Fish and Game Commission, composed of five members who are appointed by the Governor for six-year terms and who are subject to confirmation by the Senate, has been a constitutional body since 1940. It possesses such powers as are delegated to it by the Legislature. In general, the Legislature has granted the commission the power to regulate the taking or possession of game birds (both resident and migratory), mammals (including deer, bear, elk, antelope, rabbits and squirrels), fish, amphibians (frogs) and reptiles.

These powers have been delegated for specific intervals by the Legislature. Other regulatory powers pertaining to less significant fish and game matters have been granted on an unrestricted basis. The commission is required to hold public meetings to hear and consider the recommendations of interested citizens and groups before setting fish and game regulations.

As stipulated by the Fish and Game Code, general policies for conduct of the department are formulated by the Fish and Game Commission and the Director of the Department of Fish and Game is responsible for administration of the department in accordance with the policies thus established. Though the department is subject by law to decisions of the commission, the Wildlife Conservation Board and the Marine Research Committee, the director of the department is responsible to the Governor.

WILDLIFE BOARD

The Wildlife Conservation Board was established by the Wildlife Conservation Act of 1947. It consists of the President of the Fish and Game Commission, the Director of the Department of Fish and Game and the Director of Finance. Additionally, three Members of the Senate and three Members of the Assembly meet with the board and participate in its activities. The primary responsibilities of the board consist of selecting and authorizing the acquisition of land and property suitable for recreation purposes and the preservation, protection and restoration of wildlife. The board may authorize construction of facilities on property it has acquired, consistent with the purpose for which the property was purchased. The acquisition and construction program of the board is financed out of the Wildlife Restoration Fund for which, in 1955, the Legislature established a continuing annual appropriation of seven hundred fifty thousand dollars ($750,000) from the state's share of parimutuel revenues derived from wagers on horseracing.

MARINE RESEARCH COMMITTEE

The Marine Research Committee which was established by the Legislature in 1947, consists of nine members: five representing commercial fish interests, at least one member representing organized sportsmen's groups, and at least one representing organized labor. The membership is appointed by the Governor for four-year terms. The committee is empowered to employ personnel or contract for research in the development of commercial fisheries of the Pacific Ocean and financial support for the committee is derived from a special privilege tax on fish dealers and fish packers.

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DEPARTMENT

The Department of Fish and Game is charged with the administration and enforcement of the Fish and Game Code. It is organized as a headquarters staff in Sacramento, with six regional managers, each responsible for fish and game operations in his portion of the state, including the offshore area. General policies for the conduct of the department are formulated by the Fish and Game Commission, and the director is responsible for administration of the department in accordance with such policies. The director is the appointing power of all department employees, who are responsible to him for the proper performance of their duties and responsibilities.

Support of the Department of Fish and Game comes from the Fish and Game Preservation Fund, which derives its revenue from the sale of hunting and fishing licenses, court fines and commercial fishing taxes. One-half of the fines and forfeitures collected as a result of violations of the Fish and Game Code and commission regulations are deposited in the Fish and Game Preservation Fund, and the other one-half goes to the county in which the offense was committed to be expended for the propagation and conservation of fish or game under the direction of the board of supervisors.

There are also grants of federal funds for sport fisheries projects under the Dingell-Johnson Sport Fish Restoration Act (16 U.S.C., Sec. 777, et seq.) and for wildlife projects under the Pittman-Robertson Act (16 U.S.C., Sec. 669, et seq.), allocated to the states from taxes on sporting articles, in ratio to the number of licensed hunters and fishermen and the area involved. The Commercial Fisheries Research and Development Act of 1964 (16 U.S.C., Sec. 779, et seq.) provides federal funds for studies and projects relating to commercial fisheries.

LEGISLATIVE COMMITTEES ON FISH AND GAME

The Assembly Committee on Water, and the Senate Committee on Natural Resources and Wildlife are empowered to investigate fish and game problems, hold hearings so that interested citizens may publicly express their views, make recommendations and introduce bills pertaining to fish and game for consideration by the Legislature.

These committees have no administrative powers, and no power to establish regulations. They cannot direct the Fish and Game Commission to establish any regulations or set any season dates. Nor can they require the State Department of Fish and Game or other state agencies to perform any service other than to furnish the committees with data or information required in their deliberations.

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CHAPTER 61

An act to add Section 20803.3 to, and to repeal Section 20803.3 of, the Education Code, relating to school district taxes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 23, 1976. Filed with Secretary of State March 23, 1976.]

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

SECTION 1. Section 20803.3 is added to the Education Code, to read:

20803.3. If the election authorized in Section 20803.2 is called to continue in effect a revenue limit which is the result of including the revenue from a voted increase in the maximum tax rate which commenced with the 1973–74 fiscal year and which had a termination date, as authorized by Section 20904.1, the ballot shall contain substantially the words "Shall the existing revenue limit of _____ dollars ($_____) per unit of average daily attendance be continued in the _____ School District for the school years 19__–__ through 19__–__, the revenues of which are to be used for _____?" Opposite such words in separate lines, the words "Yes" and "No" shall be printed with a voting square opposite each such word. Each voter shall stamp a mark in the voting square after the answer he desires to give.

This section shall be applicable only to the Buena Park Elementary School District. It shall be operative only until June 9, 1976 and on that day is repealed.

SEC. 2. The Legislature recognizes that the special problems existing in the Buena Park Elementary School District necessitate the enactment of this act which is applicable only to that district.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit an election to be held pursuant to this act in time for the results to be known before the time of setting the tax rates for the Buena Park Elementary School District for the 1976–77 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 62

An act to add and repeal Section 54922 of the Government Code, relating to water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 23, 1976. Filed with Secretary of State March 23, 1976.]

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

SECTION 1. The Legislature finds and declares that the formation of Improvement District No. 1 (sewer) in the South Coast County Water District, if approved by the voters in an election held on June 8, 1976, involves all of, and only the territory in, the present South Laguna Sanitary District and is entirely within the boundaries of the South Coast County Water District. The Legislature further finds and declares that the formation of such improvement district is for the purpose of combining administration of the present two districts with the accompanying efficiencies of such combination and that the maximum tax rate in the affected territory will not be increased by this act.

SEC. 2. Section 54922 is added to the Government Code, to read:

54922. Notwithstanding Sections 54902 and 54903, the formation of an improvement district for the purpose of providing sanitary sewer service to a portion of the South Coast County Water District approved by the voters in an election conducted on June 8, 1976, shall be effective for assessment and taxation purposes for the 1976–1977 fiscal year if the required statements and map or plat are filed on or before June 30, 1976. The maximum tax rate levied on behalf of such improvement district shall be one dollar ($1) on each one hundred dollars ($100) of assessed valuation as is now provided by law for the South Laguna Sanitary District as provided in Chapter 7 (commencing with Section 6695) of Part 1 of Division 6 of the Health and Safety Code, and as approved by the voters on June 8, 1976.

SEC. 3. Section 2 of this act shall remain in effect only until July 30, 1976, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 30, 1976, deletes or extends such date.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any costs incurred by it under this act.

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

The former South Laguna Sanitary District and the South Coast County Water District, both of Orange County, are closely related in many of their management functions and operations. The proposed reorganization will be delayed one year unless this proposed legislation is enacted, thereby causing unnecessary expenditures of public funds. Without such legislation, the proposed Improvement District No. 1 (sewer) of the South Coast County Water District would be without operating funds for fiscal year 1976–1977.

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CHAPTER 63

An act to add Section 18064 to the Health and Safety Code, relating to mobilehomes.

[Approved by Governor March 23, 1976. Filed with Secretary of State March 23, 1976.]

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

SECTION 1. Section 18064 is added to the Health and Safety Code, to read:

18064. (a) The manufacturer of any new mobilehome manufactured on or after January 1, 1977, which is required to be moved under a permit, shall affix a label to the mobilehome, if it is to be displayed for retail sale in the State of California, which contains the following information about the mobilehome:

(1) Make, model, and serial or identification number.

(2) Final assembly point.

(3) Name and location of dealer to whom delivered.

(4) Name of city or town at which delivered.

(5) Manufacturer's suggested retail price which shall include the price of the following:

(A) The basic mobilehome unit.

(B) Extra construction features and materials.

(C) Total price of the mobilehome.

(b) The removal or alteration of any label required by this section from the mobilehome by anyone except the retail purchaser shall be a misdemeanor.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section, nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 64

An act to amend Sections 6508, 6545, 6546, 6549, 6561, 6632, 6633, 6634, 6635, 6636, and 6650 of, to amend and renumber Section 6537.2 of, and to add Section 6548.5 to, the Business and Professions Code, relating to barbers.

[Approved by Governor March 23, 1976 Filed with Secretary of State March 23, 1976.]

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

SECTION 1. Section 6508 of the Business and Professions Code is amended to read:

6508. The board may make rules and regulations and also prescribe sanitary requirements in aid or furtherance of the provisions of this chapter in addition to those prescribed by law.

The practice and procedure of the board with respect to adopting rules and regulations shall be in accordance with Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 2. Section 6537.2 of the Business and Professions Code is amended and renumbered to read:

6537.3. With the approval of the State Board of Barber Examiners and in compliance with such regulations as it may adopt, state and local apprenticeship committees may establish postgraduate or upgrading courses in barbering, under Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code, with or without on-the-job training, for persons registered by the board as barbers or apprentices.

SEC. 3. Section 6545 of the Business and Professions Code is amended to read:

6545. Any person is qualified to receive a certificate of registration to practice barbering if he complies with each of the following:

(a) He is qualified under the provisions of Section 6546 of this chapter.

(b) He is at least 18 years of age.

(c) He is not subject to denial pursuant to Section 480.

(d) He has practiced as a registered apprentice for a period of 15 months under the supervision and employment of a registered barber, except that a registered apprentice who completes a 12 months' apprenticeship program approved by the board and established under the provisions of Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code shall be required to serve as a registered apprentice for a period of only 12 months.

(e) He has passed a satisfactory examination conducted by the board to determine his fitness to practice barbering, except that a registered apprentice who successfully completes a 12 months' apprenticeship program approved by the board and established under the provisions of Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code, and who has paid an amount equal to the examination fee specified in Section 6632, shall not be required to pass an examination conducted by the board, any other provision of this chapter notwithstanding.

An applicant for a certificate of registration to practice as a registered barber who fails to pass a satisfactory examination conducted by the board shall continue to practice as an apprentice under the supervision and employment of a registered barber. He

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may file a new application accompanied by the required fee and take another examination.

(f) No person holding a certificate of registration as a registered apprentice shall work for more than five years as an apprentice after failing to pass satisfactorily an examination conducted by the board without applying for and taking the examination for a certificate to practice as a registered barber, except that the board may extend this five-year period upon showing of good cause, which shall include, but not be limited to, delays in applying for and taking the examination caused by illness of or accident to the apprentice or service in the armed forces of the United States.

SEC. 4. Section 6546 of the Business and Professions Code is amended to read:

6546. Any person is qualified to receive a certificate of registration as a registered apprentice if he complies with each of the following:

(a) He has completed the proper grade in school as provided in Section 6546.5, or has an equivalent education, as determined by an examination conducted by an examining agency prescribed by the board.

(b) He is at least 17½ years of age.

(c) He is not subject to denial pursuant to Section 480.

(d) He has graduated from a college approved by the board.

(e) He has passed a satisfactory examination conducted by the board to determine his fitness to practice as a registered apprentice.

Any applicant for a certificate of registration to practice as an apprentice who fails the examination may file a new application accompanied by the required fee and take another examination.

No person holding a certificate of registration as a registered apprentice shall work for more than five years as an apprentice nor shall he work more than six months after completing the required working time of an apprenticeship without applying for and taking the examination for a certificate to practice as a registered barber, except that the board may extend this five-year or six-month period upon showing of good cause, which shall include but not be limited to delays in applying for and taking the examination caused by illness of or accident to the apprentice or service in the armed forces of the United States.

The five-year period contained in this section shall commence on the first day of employment as an apprentice for each person who obtains an original certificate of registration as an apprentice prior to November 8, 1967, and on the date of issue contained in an original certificate of registration as an apprentice for each person who obtains an original certificate of registration as an apprentice on or after November 8, 1967. The five-year period contained in this section applies to apprentices who have not, on November 8, 1967, completed the three-year period in effect prior to the amendment made at the 1967 Regular Session of the Legislature, as well as to

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those who are licensed after such date.

SEC. 5. Section 6548.5 is added to the Business and Professions Code, to read:

6548.5. Certificates of registered barber or of registered apprentice or of registered instructor shall be issued by the board to any applicant who satisfactorily passes an examination making a grade of not less than 75 percent, and who possesses the other qualifications required by law.

SEC. 6. Section 6549 of the Business and Professions Code is amended to read:

6549. A certificate to conduct a barbershop shall be issued to any owner of a barbershop upon receipt by the board of an application accompanied by the required fee, and in the case of a new shop or an existing shop at a new location, upon compliance with the provisions of Sections 6549.5 and 6549.6.

SEC. 7. Section 6561 of the Business and Professions Code is amended to read:

6561. Any person, upon payment of the required fee, shall be granted permission to take an examination to determine his fitness to receive a certificate of registration as a registered apprentice, if he complies with each of the following:

(a) He is at least 17½ years of age.

(b) He is not subject to denial pursuant to Section 480.

(c) He has completed the proper grade in school as provided in Section 6546.5 or has an equivalent education as determined by an examination conducted by an examining agency prescribed by the board.

(d) He has either:

(1) A valid certificate of registration as an apprentice in another state or country which has substantially the same requirements for registering an apprentice as required by this chapter.

(2) Affidavits that he has practiced as an apprentice in another state or country for at least six months within the last two years immediately prior to making application in this state.

If he passes the required examination, a certificate of registration as a registered apprentice shall be issued to him and the time spent in such other state or country as apprentice shall be credited upon the period of apprenticeship required by this chapter as a qualification to take the examination to determine his fitness to receive a certificate of registration as a registered barber.

If he fails to pass the examination, he may file a new application accompanied by the required fee and take another examination. In no event will he be permitted to practice barbering until such time as he satisfactorily passes an examination and receives a certificate of registration as a registered apprentice.

SEC. 8. Section 6632 of the Business and Professions Code is amended to read:

6632. The amount of the fees payable in connection with

certificates of registration to practice barbering is as follows:

(a) The examination fee is twenty dollars ($20).

(b) The fee for issuance of the certificate is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued, except that, if the certificate will expire less than one year after its issuance, then the fee is fifty percent (50%) of the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued.

(c) The renewal fee shall be fixed by the board at not more than twenty dollars ($20) nor less than ten dollars ($10) for each biennial renewal period.

(d) The restoration fee is an amount equal to 150 percent of the renewal fee in effect when the application for restoration is filed.

SEC. 9. Section 6633 of the Business and Professions Code is amended to read:

6633. The amount of the fees payable in connection with certificates of registration to practice as an apprentice is as follows:

(a) The examination fee is twenty dollars ($20).

(b) The fee for issuance of the certificate is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued, except that, if the certificate will expire less than one year after its issuance, then the fee is fifty percent (50%) of the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued.

(c) The renewal fee shall be fixed by the board at not more than twenty dollars ($20) nor less than ten dollars ($10) for each biennial renewal period.

(d) The restoration fee is an amount equal to 150 percent of the renewal fee in effect when the application for restoration is filed.

SEC. 10. Section 6634 of the Business and Professions Code is amended to read:

6634. The amount of the fees payable in connection with certificates to conduct a barbershop is as follows:

(a) The inspection fee to be paid by an applicant to conduct a new barbershop or an existing shop at a new location shall be fixed by the board at not more than thirty-five dollars ($35) nor less than twenty-eight dollars ($28).

(b) The certificate fee to be paid by an applicant to conduct a new barbershop or an existing shop at a new location shall be fixed by the board at not more than ten dollars ($10) nor less than five dollars ($5).

(c) The fee to be paid by an applicant to conduct an existing barbershop under new ownership shall be fixed by the board at not more than ten dollars ($10) nor less than six dollars ($6).

(d) The renewal fee shall be fixed by the board at not more than twenty dollars ($20) nor less than ten dollars ($10) for each biennial renewal period.

(e) The restoration fee is an amount equal to 150 percent of the

renewal fee in effect when the application for restoration is filed.

SEC. 11. Section 6635 of the Business and Professions Code is amended to read:

6635. The amount of the fees payable in connection with certificates of registration for a barber college is as follows:

(a) The fee for the issuance of a certificate is one hundred dollars ($100);

(b) The annual renewal fee is one hundred dollars ($100).

(c) The restoration fee is one hundred twenty-five dollars ($125).

SEC. 12. Section 6636 of the Business and Professions Code is amended to read:

6636. The amount of the fees payable in connection with certificates of registration as an instructor in a barber college is as follows:

(a) The examination fee is twenty-five dollars ($25).

(b) The fee for issuance of a certificate is:

(1) For certificates issued before October 1, 1963, ten dollars ($10).

(2) For certificates issued after September 30, 1963, an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued, except that, if the certificate will expire less than one year after its issuance, then the fee is fifty percent (50%) of the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued.

(c) The renewal fee is twenty dollars ($20) for the biennial renewal period ending on September 30, 1965, and for each biennial renewal period thereafter; and ten dollars ($10) for each of the renewal periods ending on August 31, 1962, and September 30, 1963.

(d) The restoration fee is an amount equal to 150 percent of the renewal fee in effect when the application for restoration is filed.

SEC. 13. Section 6650 of the Business and Professions Code is amended to read:

6650. The amount of the fees payable in connection with special certificates in barbering is as follows:

(a) The examination fee is twenty dollars ($20).

(b) The fee for the issuance of the certificate is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued.

(c) The renewal fee shall be fixed by the board at not more than twenty dollars ($20) nor less than ten dollars ($10) for each biennial renewal period.

(d) The restoration fee is an amount equal to 150 percent of the renewal fee in effect when the application for restoration is filed.

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CHAPTER 65

An act to amend Section 13271 of the Education Code, relating to school districts.

[Approved by Governor March 23, 1976. Filed with Secretary of state March 23, 1976]

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

SECTION 1. Section 13271 of the Education Code is amended to read:

13271. The governing board of any school district, subject to the rules and regulations prescribed by the State Board of Education, and notwithstanding anything to the contrary in Article 2 of Chapter 2 of Part 7 of Division 2 of the Labor Code may enter into an agreement with the proper authorities of any foreign country, or of any state, territory, or possession of the United States, or other district within the state, for the exchange and employment of regularly credentialed employees and employees of public schools of any foreign country, state, territory, or possession, or other district within this state. Any certificated person so employed as provided in this section shall be known as an "exchange certificated employee." No exchange shall be made without the consent of the employee to be exchanged.

Due consideration shall be given to the general qualifications and professional status of the exchange employee as compared to the general qualifications and professional status of the employee for whom exchanged. However, it shall not be a requirement that an exchange certificated employee be a teacher of the same subject or grade, or both, as the employee for whom exchanged. If the service authorized is other than teaching, it shall not be a requirement that the service be at the same grade level or that the service be exactly the same as the employee for whom exchanged.

No person may be employed as an exchange employee by a school district in the state unless he holds the necessary valid credential or credentials issued by the Commission for Teacher Preparation and Licensing authorizing him to serve in a position requiring certification qualifications in the school district proposing to employ him. The commission may establish minimum standards for the credentials for exchange certificated employees, provided however, that no exchange certificated employee shall be required to pay any fee or other charge for the issuance to him of any necessary valid credential or credentials authorizing him to serve in a position requiring certification qualifications in any school district in this state.

An exchange agreement may be made for a period not to exceed three years.

At the end of the assignment period, the exchange, with the

consent of all parties, may be made complete and permanent.

CHAPTER 66

An act to amend Section 4730 of the Health and Safety Code, relating to sanitation districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 23, 1976. Filed with Secretary of State March 23, 1976.]

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

SECTION 1. Section 4730 of the Health and Safety Code is amended to read:

4730. The governing body of a sanitation district is a board of directors of not less than three members. The presiding officer of the governing body of each city, the whole or part of which is included in the sanitation district, is a member of the board. A member of the governing body of each sanitary district, the whole or part of which is included in the sanitation district, is a member of the board.

If the sanitation district includes territory which is unincorporated and not included in a sanitary district, then the presiding officer of the county board of supervisors is a member of the board.

The governing body of each city and the board of supervisors shall each select one of its members, other than its presiding officer, as an alternate director to act as a member of the district board in place of the presiding officer during his absence, inability or refusal to act.

If the sanitation district includes unincorporated territory and all or part of one city and no sanitary district, or unincorporated territory and one sanitary district and no city, then the presiding officer and one other member of the board of supervisors are members of the board, unless the population included in the city or sanitary district is more than half of the population of the whole sanitation district, in which case the presiding officer of the board of supervisors and the presiding officer and one other member of the governing body of the city or two members of the governing body of the sanitary district, as the case may be, constitute the board of directors.

If the total number of cities and sanitary districts included in the sanitation district in whole or in part is two and if the sanitation district does not include any territory not in cities or sanitary districts, then the district board includes the presiding officer and one other member of the governing body of the city or two members of the governing body of the sanitary district having the greatest population and the presiding officer of the governing body of the city or one member of the governing body of the sanitary district having the least population.

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If the total number of cities and of sanitary districts wholly or in part within the sanitation district is two or more, and if, in addition, the district contains unincorporated territory, then the district board includes the presiding officer of the board of supervisors, the presiding officer of the governing board of each city, and a member of the governing board of each sanitary district.

If the district includes no territory which is in cities or sanitary districts, then the county board of supervisors is the board of directors of the district.

If the territory of the district lies wholly within a city, the legislative body of said city is the board of directors of the district.

A city within a sanitation district, the sewered portion of which city lies entirely within a sanitary district, shall have no representation on the board.

Notwithstanding the foregoing provisions of this section, whenever a sanitation district includes unincorporated territory and all or part of one city and no sanitary district, the governing body of such city may designate the board of supervisors of the county as the district board of directors, unless the population of the incorporated portion of the sanitation district is more than half of the population of the whole district. If the population of the incorporated portion of the sanitation district is more than half of the population of the whole district, the board of supervisors of the county may designate the governing body of the city as the district board of directors.

The term "sanitary district" as used in this section shall mean a sanitary district formed prior to the formation of the sanitation district in which it is included in whole or in part. The term "sanitary district" as used in this section shall also include a county water district which on or before July 1, 1977, assumed the responsibilities, rights, duties, assets, liabilities, and obligations of a sanitary district which at the time of the such assumption had representation on the board of directors of the sanitation district by the provisions of this section.

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

The South Laguna Sanitary District and the South Coast County Water District, both of Orange County, are closely related in many of their management functions and operations. In order to economize governmental operation and function, the South Laguna Sanitary District is to be dissolved and its functions and responsibilities assumed by the South Coast County Water District of Orange County. The South Laguna Sanitary District presently is entitled to representation on the Board of Directors of County Sanitation District No. 8 of Orange County and desires, the proposed reorganization notwithstanding, to maintain such representation. In order to insure that the proposed reorganization is accomplished at

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this time, thereby avoiding unnecessary future expenditure of public funds, it is essential that this act take effect immediately.

CHAPTER 67

An act to add Section 30514 to the Water Code, relating to county water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 23, 1976 Filed with Secretary of State March 23, 1976.]

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

SECTION 1. Section 30514 is added to the Water Code, to read:

30514. If, on or before July 1, 1977, a district has assumed the responsibilities, rights, duties, assets, liabilities, and obligations of a sanitary district, the board may, and from time to time thereafter may, increase the number of directors to serve thereon to seven, nine or eleven. Such additional directors shall be elected at the next general district election or at a special election called for such purpose. One-half of such directors shall hold office until the election and qualification of their successors at the first succeeding general district election, and the other one-half of such directors shall hold office until the election and qualification of their successors at the second succeeding general district election. The additional directors shall classify themselves by lot to determine their initial terms of office. Thereafter, they shall hold office for the term provided in Section 30502.

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

The South Laguna Sanitary District and the South Coast County Water District, both of Orange County, are closely related in many of their managerial functions and operations. In order to economize governmental operation and function, the South Laguna Sanitary District is to be dissolved and its functions and responsibilities assumed by the South Coast County Water District of Orange County. This act will make it possible for all incumbent directors to serve the area of the former two districts on the board of the succeeding district.

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CHAPTER 68

An act to add Section 10127.1 to the Insurance Code, relating to insurance.

[Approved by Governor March 23, 1976 Filed with Secretary of State March 23, 1976.]

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

SECTION 1. Section 10127.1 is added to the Insurance Code, to read:

10127.1. (a) No policy of disability insurance providing loss of time benefits shall contain any provision for a reduction of such benefits during a benefit period because of an increase in benefits payable under the Federal Social Security Act, as amended.

(b) No self-insured employee welfare benefit plan providing loss of time benefits shall contain any provision for a reduction of such benefits during a benefit period because of an increase in benefits payable under the Federal Social Security Act, as amended.

(c) This section shall apply to all disability insurance policies issued, delivered, amended, or renewed in this state on or after January 1, 1977, and shall apply to group disability insurance policies and self-insured employee welfare benefit plans which are entered into, amended, or renewed on or after such date or upon the expiration of any applicable collective-bargaining agreement, whichever occurs later.

CHAPTER 69

An act to add Section 167 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor March 26, 1976. Filed with Secretary of State March 27, 1976]

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

SECTION 1. Section 167 is added to the Revenue and Taxation Code, to read:

167. Notwithstanding any other provision of law to the contrary, except as provided in Section 1610, there shall be a rebuttable presumption affecting the burden of proof in favor of the taxpayer or assessee who has supplied all information as required by law to the assessor in any administrative hearing involving the imposition of a tax on an owner-occupied single-family dwelling or the assessment of an owner-occupied single-family dwelling pursuant to this division.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

SEC. 3. If Section 167 of the Revenue and Taxation Code, as added by this act, is not constitutional as limited to single-family homes, it shall not be broadly construed by a court to allow the rebuttable presumption to all property but rather the section shall have no force or effect.

CHAPTER 70

An act to amend Sections 27454, 27465, and 27501 of the Vehicle Code, relating to tires, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 26, 1976. Filed with Secretary of State March 27, 1976]

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

SECTION 1. Section 27454 of the Vehicle Code, as amended by Chapter 72 of the Statutes of 1975, is amended to read:

27454. No tire on any vehicle upon any state highway shall have on its periphery any block, stud, flange, cleat, ridge, bead, or any other protuberance of metal or wood which projects beyond the tread of the traction surface of the tire.

This section does not apply to the following:

(a) Tire chains of reasonable size used to prevent skidding when upon wet surfaces or when upon snow or ice.

(b) Pneumatic tires which have embedded therein wire not to exceed 0.075 of an inch in diameter and which are so constructed that under no conditions will the percentage of metal in contact with the roadway exceed 5 percent of the total tire area in contact with the roadway, except that during the first 1,000 miles of use or operation of any such tire, the metal in contact with the roadway may exceed 5 percent of the tire area in contact with the roadway, but shall in no event exceed 20 percent of such area.

(c) Vehicles operated upon unimproved roadways when necessary in the construction or repair of highways.

(d) Traction engines or tractors when operated under the conditions of a permit first obtained from the Department of Transportation.

(e) Pneumatic tires containing metal-type studs of tungsten carbide or other suitable material and which are so inserted or constructed that under no conditions will the number of studs or the

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percentage of metal in contact with the roadway exceed 3 percent of the total tire area in contact with the roadway, between the first day of October and the first day of May. This subdivision shall remain in effect until May 1, 1978, and shall have no force or effect after that date.

SEC. 2. Section 27465 of the Vehicle Code is amended to read:

27465. (a) No dealer or person holding a retail seller's permit shall sell, offer for sale, expose for sale, or install on a vehicle for use on a highway, a pneumatic tire when the tire is so worn that less than one thirty-second (1/32) of an inch tread remains in any two adjacent grooves at any location on the tire. This subdivision shall not apply to any person who installs on a vehicle, as part of an emergency service rendered to a disabled vehicle upon a highway, a spare tire with which such disabled vehicle was equipped.

(b) No person shall use on a highway a pneumatic tire when the tire is so worn that less than one thirty-second (1/32) of an inch tread depth remains in any two adjacent grooves at any location on the tire.

(c) The measurement of tread depth shall not be made where tiebars, humps, or fillets are located.

(d) The requirements of this section shall not apply to implements of husbandry.

(e) The department may adopt regulations establishing more stringent tread depth requirements than those specified in this section for those vehicles defined in Sections 322, 323, and 545, and those listed in Section 34500.

SEC. 3. Section 27501 of the Vehicle Code is amended to read:

27501. (a) No dealer or person holding a retail seller's permit shall sell, offer for sale, expose for sale, or install on a vehicle for use on a highway, a pneumatic tire which is not in compliance with regulations adopted pursuant to Section 27500. This subdivision shall not apply to any person who installs on a vehicle, as part of an emergency service rendered to a vehicle upon a highway, a spare tire with which such disabled vehicle was equipped.

(b) No person shall use on a highway a pneumatic tire which is not in conformance with such regulations.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

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In order for the provisions of this act to be in effect for the 1976 winter season, it is necessary that this act take effect immediately as an urgency statute.

CHAPTER 71

An act to amend Section 255 of the Health and Safety Code, relating to crippled children's services.

[Approved by Governor March 26, 1976. Filed with Secretary of State March 27, 1976.]

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

SECTION 1. Section 255 of the Health and Safety Code is amended to read:

255. The department shall establish uniform standards of financial eligibility for treatment services under the crippled children's program, including a uniform formula for the repayment for services rendered by the program except for those necessary services rendered in the crippled children services medical therapy program in the public schools. Necessary medical therapy treatment services under the crippled children's program rendered in the public schools shall be exempt from financial eligibility standards and family repayment requirements for such services when rendered to any handicapped child whose educational or physical development would be impeded without such services. All counties shall use the uniform standards for financial eligibility and uniform formula for repayment established by the department. All repayments shall be used in support of the crippled children's program.

CHAPTER 72

An act to amend Sections 9324 and 9325 of the Elections Code, relating to county central committees.

[Approved by Governor March 26, 1976. Filed with Secretary of State March 27, 1976.]

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

SECTION 1. Section 9324 of the Elections Code is amended to read:

9324. In each county the nominee of the party for State Senator or the incumbent State Senator, the nominees of the party for the Assembly, and any person elected to either the Senate or Assembly at a special election to fill a vacancy in the house, and the nominee

of the party for Representative in Congress, and any person elected at a special election to fill a vacancy in the House of Representatives, shall be ex officio members of this committee. If the person elected from one party at the special election for an Assembly or Senate seat, or for the House of Representatives shall be other than the nominee of that party for the same office at the prior election, the ex officio membership of the nominee shall expire immediately upon certification by the Secretary of State of the election. Ex officio members shall be entitled to all the rights and privileges, including the right to vote, and shall have the same standing in every way as other members of this committee, except they shall not be entitled to a ballot designation of incumbent upon seeking election to this committee in the next direct primary.

SEC. 2. Section 9325 of the Elections Code is amended to read:

9325. The incumbent or nominee of each of the following offices shall be an ex officio member of the committee in the county in which he resides:

(a) Governor
(b) Lieutenant Governor
(c) Treasurer
(d) Controller
(e) Attorney General
(f) Secretary of State
(g) Member of State Board of Equalization
(h) United States Senator from California. His rights and privileges shall be the same as those prescribed for other ex officio members in Section 9324.

CHAPTER 73

An act to amend Sections 1354 and 1355 of the Civil Code, to amend Sections 392 and 801.13 of, to add Title 10.5 (commencing with Section 872.010) to Part 2 of, and to repeal Chapter 4 (commencing with Section 752) of Title 10 of Part 2 of, the Code of Civil Procedure, to amend Section 1103 of the Probate Code, and to amend Section 3965 of the Revenue and Taxation Code, relating to partition of real and personal property.

[Approved by Governor March 27, 1976. Filed with Secretary of State March 27, 1976.]

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

SECTION 1. Section 1354 of the Civil Code is amended to read:

1354. (a) Except as provided in this section, the common areas shall remain undivided, and there shall be no judicial partition thereof. Nothing herein shall be deemed to prevent partition of a cotenancy in a condominium.

(b) The owner of a condominium in a condominium project may maintain a partition action as to the entire project as if the owners of all of the condominiums in the project were tenants in common in the entire project in the same proportion as their interests in the common areas. The court shall order partition under this subdivision only by sale of the entire condominium project and only upon a showing of one of the following:

(1) More than three years before the filing of the action, the project was damaged or destroyed so that a material part was rendered unfit for its prior use, and the project has not been rebuilt or repaired substantially to its state prior to the damage or destruction.

(2) Three-fourths or more of the project is destroyed or substantially damaged and condominium owners holding in aggregate more than a 50-percent interest in the common areas oppose repair or restoration of the project.

(3) The project has been in existence more than 50 years, is obsolete and uneconomic, and condominium owners holding in aggregate more than a 50-percent interest in the common areas oppose repair or restoration of the project.

(4) The conditions for such a sale, set forth in restrictions entered into with respect to the project pursuant to Section 1355, have been met.

SEC. 2. Section 1355 of the Civil Code is amended to read:

1355. The owner of a project shall, prior to the conveyance of any condominium therein, record a declaration of restrictions relating to such project, which restrictions shall be enforceable equitable servitudes where reasonable, and shall inure to and bind all owners of condominiums in the project. Such servitudes, unless otherwise provided, may be enforced by any owner of a condominium in the project, and may provide, among other things:

(a) For the management of the project by one or more of the following management bodies: the condominium owners, a board of governors elected by the owners, or a management agent elected by the owners or the board or named in the declarations; for voting majorities, quorums, notices, meeting dates, and other rules governing such body or bodies; and for recordation from time to time, as provided for in the declaration, of certificates of identity of the persons then composing such management body or bodies, which certificates shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

(b) As to any such management body:

(1) For the powers thereof, including power to enforce the provisions of the declaration of restrictions;

(2) For maintenance by it of fire, casualty, liability, worker's compensation and other insurance insuring condominium owners, and for bonding of the members of any management body;

(3) For provision by it of and payment by it for maintenance,

utility, gardening and other services benefiting the common areas; for employment of personnel necessary for operation of the building, and legal and accounting services;

(4) For purchase by it of materials, supplies and the like and for maintenance and repair of the common areas;

(5) For payment by it of taxes and special assessments which would be a lien upon the entire project or common areas, and for discharge by it of any lien or encumbrance levied against the entire project or common areas;

(6) For payment by it for reconstruction of any portion or portions of the project damaged or destroyed;

(7) For delegation by it of its powers;

(8) For entry by it or its agents into any unit when necessary in connection with maintenance or construction for which such body is responsible;

(9) For an irrrevocable power of attorney to the management body to sell the entire project for the benefit of all of the owners thereof when partition of the project may be had under Section 1354, which said power shall: (i) be binding upon all of the owners, whether they assume the obligations of the restrictions or not; (ii) if so provided in the declaration, be exercisable by less than all (but not less than a majority) of the management body; (iii) be exercisable only after recordation of a certificate by those who have power to exercise it that said power is properly exercisable hereunder, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

(c) For amendments of such restrictions which amendments, if reasonable and made upon vote or consent of not less than a majority in interest of the owners in the project given after reasonable notice, shall be binding upon every owner and every condominium subject thereto whether the burdens thereon are increased or decreased thereby, and whether the owner of each and every condominium consents thereto or not.

(d) For independent audit of the accounts of any management body.

(e) (1) For reasonable assessments to meet authorized expenditures of any management body, and for a reasonable method for notice and levy thereof, each condominium to be assessed separately for its share of such expenses in proportion (unless otherwise provided) to its owner's fractional interest in any common areas;

(2) For the subordination of the liens securing such assessments to other liens either generally or specifically described.

(f) For the conditions upon which partition may be had of the project pursuant to Section 1354. Such right to partition may be conditioned upon failure of the condominium owners to elect to rebuild within a certain period, specified inadequacy of insurance proceeds, specified damage to the building, a decision of an

arbitrator, or upon any other reasonable condition.

(g) For restrictions upon the severability of the component interests in real property which comprise a condominium as defined in Section 783 of the Civil Code. Such restrictions shall not be deemed conditions repugnant to the interest created within the meaning of Section 711 of the Civil Code; provided, however, that no such restrictions shall extend beyond the period in which the right to partition a project is suspended under Section 1354.

SEC. 3. Section 392 of the Code of Civil Procedure is amended to read:

392. (1) Subject to the power of the court to transfer actions and proceedings as provided in this title, the county in which the real property, which is the subject of the action, or some part thereof, is situated, is the proper county for the trial of the following actions:

(a) For the recovery of real property, or of an estate or interest therein, or for the determination in any form, of such right or interest, and for injuries to real property;

(b) For the foreclosure of all liens and mortgages on real property.

(2) The proper court for the trial of any such action, in the county hereinabove designated as the proper county, shall be determined as follows:

If there is a municipal or justice court, having jurisdiction of the subject matter of the action, established in the city and county or judicial district in which the real property which is the subject of the action, or some part thereof, is situated, such court is the proper court for the trial of such action; otherwise any court in such county having jurisdiction of the subject matter of the action, is a proper court for the trial thereof.

SEC. 4. Chapter 4 (commencing with Section 752) of Title 10 of Part 2 of the Code of Civil Procedure is repealed.

SEC. 5. Section 801.13 of the Code of Civil Procedure is amended to read:

801.13. If the court orders a sale of the property or a partition thereof, the same shall be made in accordance with the provisions of Title 10.5 (commencing with Section 872.010) of Part 2, except that proceeds of sale belonging to unknown defendants or defendants whose identities or whereabouts are unascertained shall be paid to the public officer who is the custodian of the funds collected on such public improvement assessments, bonds or certificates of sale, to be held by him as in like instances of collection.

SEC. 6. Title 10.5 (commencing with Section 872.010) is added to Part 2 of the Code of Civil Procedure, to read:

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TITLE 10.5. PARTITION OF REAL AND PERSONAL PROPERTY

CHAPTER 1. GENERAL PROVISIONS

Article 1. Preliminary Provisions

872.010. As used in this title:

(a) "Action" means an action for partition under this title.

(b) "Guardian" includes conservator.

(c) "Lien" means a mortgage, deed of trust, or other security interest in property whether arising from contract, statute, common law, or equity.

(d) "Property" includes real and personal property.

(e) "Remainder" includes reversion, reversionary interest, right of entry, and executory interest.

(f) "Title report" includes a preliminary report, guarantee, binder, or policy of title insurance.

872.020. This title governs actions for partition of real property and, except to the extent not applicable, actions for partition of personal property.

872.030. The statutes and rules governing practice in civil actions generally apply to actions under this title except where they are inconsistent with the provisions of this title.

872.040. Nothing in this title excuses compliance with any applicable laws, regulations, or ordinances governing the division, sale, or transfer of property.

Article 2. Powers of Court

872.110. (a) The superior court has jurisdiction of actions under this title.

(b) Subject to the power of the court to transfer actions, the proper county for the trial of actions under this title is:

(1) Where the subject of the action is real property or real and personal property, the county in which the real property, or some part thereof, is situated.

(2) Where the subject of the action is personal property, the county in which the personal property is principally located at the commencement of the action or in which the defendants, or any of them, reside at the commencement of the action.

872.120. In the conduct of the action, the court may hear and determine all motions, reports, and accounts and may make any decrees and orders necessary or incidental to carrying out the purposes of this title and to effectuating its decrees and orders.

872.130. In the conduct of the action, the court may issue temporary restraining orders and injunctions, with or without bond, for the purpose of:

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(a) Preventing waste.

(b) Protecting the property or title thereto.

(c) Restraining unlawful interference with a partition of the property ordered by the court.

872.140. The court may, in all cases, order allowance, accounting, contribution, or other compensatory adjustment among the parties according to the principles of equity.

CHAPTER 2. COMMENCEMENT OF ACTION

Article 1. Complaint and Lis Pendens

872.210. (a) A partition action may be commenced and maintained by any of the following persons:

(1) A coowner of personal property.

(2) An owner of an estate of inheritance, an estate for life, or an estate for years in real property where such property or estate therein is owned by several persons concurrently or in successive estates.

(b) Notwithstanding subdivision (a), an action between spouses or putative spouses for partition of their community or quasi-community property or their quasi-marital interest in property may not be commenced or maintained under this title.

872.220. If it is necessary to have a title report:

(a) The plaintiff may, prior to commencing the action, procure a title report and shall in the complaint indicate this has been done and designate a place where it will be kept for inspection, use, and copying by the parties.

(b) The court may, upon application of a party, authorize the party to procure a title report and shall designate a place where it shall be kept for inspection, use, and copying by the parties.

872.230. The complaint shall set forth:

(a) A description of the property that is the subject of the action. In the case of tangible personal property, the description shall include its usual location. In the case of real property, the description shall include both its legal description and its street address or common designation, if any.

(b) All interests the plaintiff has or claims in the property.

(c) All interests of record or actually known to the plaintiff that persons other than the plaintiff have or claim in the property and that the plaintiff reasonably believes will be materially affected by the action, whether the names of such persons are known or unknown to the plaintiff.

(d) The estate as to which partition is sought and a prayer for partition of the interests therein.

(e) Where the plaintiff seeks sale of the property, an allegation of the facts justifying such relief in ordinary and concise language.

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872.240. Real and personal property may be partitioned in one action.

872.250. (a) Immediately upon filing the complaint, the plaintiff shall record a notice of the pendency of the action in the office of the county recorder of each county in which any real property described in the complaint is located.

(b) If, thereafter, partition of other real property is sought in the same action, the plaintiff or other person seeking such relief shall immediately record a supplemental notice.

(c) If the notice is not recorded, the court, upon its own motion or upon the motion of any party at any time, shall order the plaintiff or person seeking partition of the property, or another party on behalf of the plaintiff or other person, to record the notice and shall stay the action until the notice is recorded. The expense of recordation shall be allowed to the party incurring it.

(d) From the time of filing the notice for record, all persons shall be deemed to have notice of the pendency of the action as to the property described in the notice.

Article 2. Summons

872.310. (a) The form, content, and manner of service of summons shall be as in civil actions generally.

(b) Service on persons named as parties pursuant to Sections 872.530(b) and 872.550, and on other persons named as unknown defendants, shall be by publication pursuant to Section 415.50 and the provisions of this article.

872.320. Where the court orders service by publication, such order shall be subject to the following conditions:

(a) The plaintiff shall post, not later than 10 days after the date the order is made, a copy of the summons and complaint on the real property that is the subject of the action.

(b) The plaintiff shall record, if not already recorded, a notice of the pendency of the action.

(c) The publication shall describe the property that is the subject of the action. In addition to particularly describing the property, the publication shall describe the property by giving its street address, if any, or other common designation, if any; but, if a legal description of the property is given, the validity of the publication shall not be affected by the fact that the street address or other common designation recited is erroneous or that the street address or other common designation is omitted.

872.330. (a) Where the court orders service by publication, the publication may:

(1) Name only the defendants to be served thereby.

(2) Describe only the property in which the defendants to be served thereby have or claim interests.

(b) Judgment based on failure to appear and answer following service under this section shall be conclusive against the defendants

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named in respect only to property described in the publication.

Article 3. Answer

872.410. The answer shall set forth:

(a) Any interest the defendant has or claims in the property.

(b) Any facts tending to controvert such material allegations of the complaint as the defendant does not wish to be taken as true.

(c) Where the defendant seeks sale of the property, an allegation of the facts justifying such relief in ordinary and concise language.

872.420. Where the defendant has or claims a lien on the property, the answer shall set forth the date and character of the lien and the amount remaining due thereon.

872.430. The answer may set forth any claim the defendant has for contribution or other compensatory adjustment.

Article 4. Parties

872.510. The plaintiff shall join as defendants in the action all persons having or claiming interests of record or actually known to the plaintiff or reasonably apparent from an inspection of the property, in the estate as to which partition is sought.

872.520. (a) If the name of a person described in Section 872.510 is not known to the plaintiff, the plaintiff shall so state in the complaint and shall name as parties all persons unknown in the manner provided in Section 872.550.

(b) If the ownership or the share or quantity of the interest of a person described in Section 872.510 is unknown, uncertain, or contingent, the plaintiff shall so state in the complaint. If the lack of knowledge, uncertainty, or contingency is caused by a transfer to an unborn or unascertained person or class member, or by a transfer in the form of a contingent remainder, vested remainder subject to defeasance, executory interest, or similar disposition, the plaintiff shall also state in the complaint, so far as is known to the plaintiff, the name, age, and legal disability (if any) of the person in being who would be entitled to ownership of the interest had the contingency upon which the right of such person depends occurred prior to the commencement of the action.

(c) The court shall upon its own motion or upon motion of any party make such orders for joinder of additional parties and for appointment of guardians ad litem pursuant to Sections 372, 373, and 373.5 as are necessary or proper.

872.530. (a) If a person described in Section 872.510 is dead and the plaintiff knows of a personal representative, the plaintiff shall join such personal representative as a defendant.

(b) If a person described in Section 872.510 is dead, or is believed by the plaintiff to be dead, and the plaintiff knows of no personal representative:

(1) The plaintiff shall state these facts in an affidavit filed with the complaint.

(2) Where it is stated in the affidavit that such person is dead, the plaintiff may join as defendants "the testate and intestate successors of _____ (naming such deceased person), deceased, and all persons claiming by, through, or under said decedent," naming them in that manner.

(3) Where it is stated in the affidavit that such person is believed to be dead, the plaintiff may join such person as a defendant, and he may also join "the testate and intestate successors of _____ (naming such person) believed to be deceased, and all persons claiming by, through, or under such person," naming them in that manner.

872.540. Where property is subject to a lease, community lease, unit agreement, or other pooling arrangement with respect to oil or gas or both, the plaintiff need not join as defendants persons whose only interest in the property is that of a lessee, royalty-owner, lessor-owner of other real property in the community, unit, or pooled area, or working interest owner, or persons claiming under them, and the judgment shall not affect the interests of such persons not joined as defendants.

872.550. Where partition is sought as to all interests in the property, the plaintiff may join as defendants "all persons unknown claiming any interest in the property," naming them in that manner.

CHAPTER 3. TRIAL

Article 1. Determination of Interests of Parties

872.610. The interests of the parties, plaintiff as well as defendant, may be put in issue, tried, and determined in the action.

872.620. To the extent necessary to grant the relief sought or other appropriate relief, the court shall upon adequate proof ascertain the state of the title to the property.

872.630. (a) To the extent necessary to grant the relief sought or other appropriate relief, the court shall determine the status and priority of all liens upon the property.

(b) The court may appoint a referee to ascertain the facts necessary for the determination required by this section. Upon application of the referee or a lienholder, the court shall direct the issuance of process to compel attendance of witnesses, the production of books, documents, or things, and the filing of verified claims. The report of the referee thereon shall be made in writing to the court and shall be confirmed, modified, or set aside and a new reference ordered, as the justice of the case may require.

872.640. Where two or more parties are unknown, the court may consider their interests together in the action and not as between each other.

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Article 2. Determination of Right to Partition

872.710. (a) At the trial, the court shall determine whether the plaintiff has the right to partition.

(b) Except as provided in Section 872.730, partition as to concurrent interests in the property shall be as of right unless barred by a valid waiver.

(c) Partition as to successive estates in the property shall be allowed if it is in the best interest of all the parties. The court shall consider whether the possessory interest has become unduly burdensome by reason of taxes or other charges, expense of ordinary or extraordinary repairs, character of the property and change in the character of the property since creation of the estates, circumstances under which the estates were created and change in the circumstances since creation of the estates, and all other factors that would be considered by a court of equity having in mind the intent of the creator of the successive estates and the interests and needs of the successive owners.

872.720. (a) If the court finds that the plaintiff is entitled to partition, it shall make an interlocutory judgment that determines the interests of the parties in the property and orders the partition of the property and, unless it is to be later determined, the manner of partition.

(b) If the court determines that it is impracticable or highly inconvenient to make a single interlocutory judgment that determines, in the first instance, the interests of all the parties in the property, the court may first ascertain the interests of the original concurrent or successive owners and thereupon make an interlocutory judgment as if such persons were the sole parties in interest and the only parties to the action. Thereafter, the court may proceed in like manner as between the original concurrent or successive owners and the parties claiming under them or may allow the interests to remain without further partition if the parties so desire.

872.730. To the extent that the court determines that the provisions of this title are a suitable remedy, such provisions may be applied in a proceeding for partnership accounting and dissolution, or in an action for partition of partnership property, where the rights of unsecured creditors of the partnership will not be prejudiced.

Article 3. Determination of Manner of Partition

872.810. The court shall order that the property be divided among the parties in accordance with their interests in the property as determined in the interlocutory judgment.

872.820. Notwithstanding Section 872.810, the court shall order that the property be sold and the proceeds be divided among the parties in accordance with their interests in the property as

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determined in the interlocutory judgment in the following situations:

(a) The parties agree to such relief, by their pleadings or otherwise.

(b) The court determines that, under the circumstances, sale and division of the proceeds would be more equitable than division of the property. For the purpose of making the determination, the court may appoint a referee and take into account his report.

872.830. If, in making a determination whether sale would be more equitable than division of the property, the court finds that sale and division of proceeds for part of the property would be more equitable than division of the whole property, the court may order that such part be sold and the remainder divided.

872.840. (a) Where the property or an interest therein is subject to an express trust, the court may, in its discretion, order that the property be sold.

(b) Upon division or sale of such property, the property or proceeds of sale allotted to the trustee of the express trust shall be held by him upon the trust therein stated, and no further action by the court pursuant to Section 873.840 is required.

CHAPTER 4. REFEREES

Article 1. General Provisions

873.010. (a) The court shall appoint a referee to divide or sell the property as ordered by the court.

(b) The court may:

(1) Determine whether a referee's bond is necessary and fix the amount of the bond.

(2) Instruct the referee.

(3) Fix the reasonable compensation for the services of the referee and provide for payment of the referee's reasonable expenses.

(4) Provide for the date of commencement of the lien of the referee allowed by law.

(5) Require the filing of interim or final accounts of the referee, settle the accounts of the referee, and discharge the referee.

(6) Remove the referee.

(7) Appoint a new referee.

873.020. The court in its discretion may appoint a referee for sale and a referee for division, or may appoint a single referee for both.

873.030. (a) The court may, with the consent of the parties, appoint three referees to divide or sell the property as ordered by the court.

(b) The three referees so appointed shall have all the powers and may perform all the duties required of one referee.

873.040. (a) The court shall appoint as referee under this title

any person or persons to whose appointment all parties have consented.

(b) In the case of an incompetent or minor party, the guardian of the party may so consent.

873.050. None of the following persons shall be appointed a referee under this title:

(a) A clerk or deputy clerk of the court.

(b) A former or present partner or employee of the judge.

(c) A relative within the third degree of the judge or the judge's spouse or the spouse of such a relative.

(d) An owner of any interest in the property that is the subject of the action.

873.060. The referee may perform any acts necessary to exercise the authority conferred by this title or by order of the court.

873.070. The referee or any party may, on noticed motion, petition the court for instructions concerning the referee's duties under this title.

873.080. (a) In selling or dividing the property, the referee may, if it will be for the advantage of those interested, designate a portion of the property as a public or private way, road, or street. In connection therewith, the referee may also recommend the closure of any or all other roads on the property and allocation of the portion of the property occupied by such roads to the parties.

(b) Upon making such a designation and recommendation that is adequate to accommodate public and private needs, the referee shall report that fact to the court.

(c) Upon confirmation of the referee's report by the court, subject to any necessary action by the appropriate public entities:

(1) The portion of the property designated as a public way, road, or street shall not be allocated to any of the parties or sold but shall be an open and public way, road, or street.

(2) The property designated as a private way, road, or street shall be a private way for the use of the parties interested.

(3) The roads recommended to be closed shall be deemed abandoned upon the terms stated in the order of confirmation.

Article 2. Contracts of Referee

873.110. Subject to the limitations of this article, the court may:

(a) Authorize or approve contracts of the referee for the services and expenses of surveyors, engineers, appraisers, attorneys, real estate brokers, auctioneers, and others.

(b) Allow and direct payment of or reject claims under such contracts.

(c) Provide for the date of commencement of any lien provided by law or contract for such claims.

873.120. (a) The referee may employ an attorney only with the approval of the court pursuant to Section 873.110.

(b) The application for approval shall be in writing and shall include the name of the attorney whom the referee wishes to employ and the necessity for the employment.

(c) The attorney so employed may not be attorney for, or associated with or employed by an attorney for, any party to the action except with the written consent of all the parties to the action.

(d) Any claim for compensation for the attorney shall detail the services performed by the attorney.

873.130. The referee may, with the approval of the court pursuant to Section 873.110, employ a surveyor with the necessary assistants to aid in making a sale or division of property.

873.140. The referee may, with the approval of the court pursuant to Section 873.110, employ an auctioneer, authorized to act as such in the locality, to conduct a public auction and to secure purchasers by such method for any property to be sold at public auction.

873.150. A contract for the services of an attorney, surveyor, auctioneer, or other third person may provide for the accrual of interest at a rate not in excess of the legal rate for amounts due under the contract that are not paid within three months after the time they become due and payable.

873.160. The referee is not personally liable on contracts made, or for expenses incurred, except as such liability is expressly assumed by the referee in writing.

CHAPTER 5. DIVISION OF THE PROPERTY

873.210. The referee appointed by the court to make a division of the property shall divide the property and allot the several portions to the parties, quality and quantity relatively considered, according to their interests in the property as determined in the interlocutory judgment.

873.220. As far as practical, and to the extent it can be done without material injury to the rights of the other parties, the property shall be so divided as to allot to a party any portion that embraces improvements made by that party or that party's predecessor in interest. In such division and allotment, the value of such improvements shall be excluded.

873.230. Where prior to the commencement of the action a party has executed a deed purporting to convey to a purchaser a portion of the property to be divided, to the extent it can be done without material injury to the rights of the other parties, the property shall be so divided as to allot that portion to the purchaser, the purchaser's heirs or assigns, or such other action taken as to make the deed effectual as a conveyance of that portion of the property.

873.240. Where real property consists of more than one distinct lot or parcel, the property shall be divided by such lots or parcels without other internal division to the extent that it can be done

without material injury to the rights of the parties.

873.250. (a) Where division cannot be made equally among the parties according to their interests without prejudice to the rights of some, compensation may be required to be made by one party to another to correct the inequality.

(b) No compensation shall be required to be made to others by unknown owners or by minors unless it appears that a minor has personal property sufficient for that purpose and the minor's interest will be promoted thereby.

873.260. Where a lien is on an undivided interest of a party, the lien shall, upon division of the property, become a charge only on the share allotted to that party.

873.270. Where the court has determined the combined interests of two or more unknown parties, the entire portion of the property allocated to such parties shall remain undivided.

873.280. (a) The referee shall file with the court a report of the referee's proceedings and give written notice of filing to each party who has appeared in the action.

(b) The report shall include all of the following:

(1) A specification of the manner in which the referee has executed the referee's trust.

(2) A description of the property divided and of the share allotted to each party, along with any recommendation as to owelty.

(3) Any recommendation as to opening and closing public and private ways, roads, streets, and easements.

873.290. (a) Any party, upon notice to the other parties who have appeared, may move the court to confirm, modify, or set aside the report.

(b) At the hearing, the court may either confirm the report as filed or as the court may modify and enter judgment of partition accordingly or set aside the report and order preparation of a new report and, if necessary, appoint a new referee for this purpose.

(c) The division is effective and title vests in accordance therewith upon entry of judgment of partition.

CHAPTER 6. SALE OF THE PROPERTY

Article 1. Manner of Sale

873.510. The referee appointed by the court to make a sale of the property shall sell the property in the manner and following the procedures provided in this chapter.

873.520. The property shall be sold at public auction or private sale as the court determines will be more beneficial to the parties. For the purpose of making this determination, the court may refer the matter to the referee and take into account the referee's report.

873.530. Part of the property may be sold at public auction and

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part at private sale if it appears that to do so will be more beneficial to the parties.

Article 2. Sales Procedures

873.600. Notwithstanding any other provision of this title, the court shall order sale by such methods and upon such terms as are expressly agreed to in writing by all the parties to the action.

873.610. (a) The court may, at the time of trial or thereafter, prescribe such manner, terms, and conditions of sale not inconsistent with the provisions of this chapter as it deems proper for the particular property or sale.

(b) The court may refer the manner, terms, and conditions of sale to the referee for recommendation but shall not approve the referee's report except following a hearing upon noticed motion.

873.620. (a) Unless the interests and rights of the parties will be materially prejudiced thereby, the court shall order that distinct lots or parcels of real property be sold separately.

(b) The court may order that the real and personal property or any portion thereof be sold as a unit.

873.630. The court may:

(a) Direct a sale on credit for the property or any part thereof.

(b) Prescribe such terms of credit as may be appropriate.

(c) Approve or prescribe the terms of security to be taken upon the sale, including the manner in which title to the security is to be taken, whether in a single instrument or several instruments, according to the interests of the parties.

873.640. (a) Notice of the sale of real or personal property shall be given in the manner required for notice of sale of like property upon execution. Such notice shall also be given to every party who has appeared in the action and to such other interested persons as may have in writing requested the referee for special notice.

(b) Where real and personal property are to be sold as a unit, notice of the sale may be in the manner required for notice of sale of real property alone.

(c) The court may order such additional notice as it deems proper.

(d) Where the court orders a new sale of property pursuant to Section 873.730 or Section 873.740, notice of sale shall be as provided in this section.

873.650. (a) The court shall prescribe the contents of the notice of sale, which shall include a description of the property, the time and place of sale, and a statement of the principal terms of sale. In place of the principal terms of sale, the notice may refer to an order of the court or to a written statement containing such information which may be inspected at the place of business of the referee or the referee's attorney.

(b) A notice of private sale shall state a place where bids or offers will be received and a day on or after which the sale will be made.

873.660. (a) The court may order securities listed on an

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established stock or bond exchange, and personal property that is perishable, that will depreciate in value if not promptly disposed of, or that will incur loss or expense by being kept, to be sold upon such notice and conditions as may be appropriate.

(b) Unless otherwise ordered by the court, title to property sold pursuant to this section passes without court confirmation. The referee is responsible for the actual value of the property until, after return and proper showing, the court approves the sale.

873.670. (a) A sale at public auction to the highest bidder shall be held in the county in which the action is pending or such other place as may be specified by the court.

(b) Unless otherwise ordered by the court, personal property shall be present at the sale.

(c) The sale may be postponed by the referee by public declaration as provided for sales upon execution.

873.680. (a) A sale at private sale shall not be made before the day specified in the notice of sale but shall be made within one year thereafter.

(b) The bids or offers shall be in writing and left at the place designated in the notice at any time after the first publication or, if none, the posting of the notice.

873.690. (a) The following persons shall not purchase property sold in the action directly or indirectly:

(1) The referee.

(2) The attorney of a party.

(3) The guardian of a party, unless for the benefit of his ward.

(b) All sales contrary to this section are void except that a sale to a bona fide purchaser following a sale contrary to this section shall not be disturbed.

Article 3. Consummation of Sale

873.710. (a) Upon making a sale of property, the referee shall report the sale to the court.

(b) The referee's report shall contain, in addition to such other information as may be appropriate, all of the following information:

(1) A description of the property sold to each purchaser.

(2) The name of the purchaser.

(3) The sale price.

(4) The terms and conditions of the sale and the security, if any, taken.

(5) Any amounts payable to lienholders.

(6) A statement as to contractual or other arrangements or conditions as to agents' commissions.

(7) Any determination and recommendation as to opening and closing public and private ways, roads, streets, and easements.

(8) Other material facts relevant to the sale and the confirmation proceeding.

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873.720. (a) A purchaser, the referee, or any party may move the court to confirm or set aside the sale.

(b) The moving party shall give not less than 10 days' notice of motion to:

(1) The purchaser if the purchaser is not the moving party; and

(2) All other parties who have appeared in the action.

873.730. (a) At the hearing, the court shall examine the report and witnesses in relation to the report.

(b) The court may confirm the sale notwithstanding a variance from the prescribed terms of sale if to do so will be beneficial to the parties and will not result in substantial prejudice to persons interested in the sale.

(c) The court may vacate the sale and direct that a new sale be made if it determines any of the following:

(1) The proceedings were unfair or notice of sale was not properly given. If there is no finding at the hearing of unfairness or improper notice, the sale may thereafter not be attacked on such grounds.

(2) The sale price is disproportionate to the value of the property.

(3) It appears that a new sale will yield a sum that exceeds the sale price by at least 10 percent on the first ten thousand dollars ($10,000) and 5 percent on the amount in excess thereof, determined after a reasonable allowance for the expenses of a new sale.

873.740. (a) If at the hearing under Section 873.730 a responsible bidder makes a written increased offer that exceeds the sale price by at least 10 percent on the first ten thousand dollars ($10,000) and 5 percent on the amount in excess thereof, the court in its discretion may do either of the following:

(1) Vacate the sale and direct that a new sale be made.

(2) Vacate the sale, accept the increased offer, and confirm the sale to the offerer.

(b) Except as provided in subdivision (c), the amount by which an increased offer exceeds the sale price is determined on the basis of the gross amount of the increased offer including any commission on the increased offer to which an agent may be entitled.

(c) Where in advance of sale the court has so ordered or the parties have so agreed, if an increased offer is made by a party to the action who is not represented by an agent, the amount by which an increased offer of a nonparty exceeds the sale price is determined on the basis of the net amount of the increased offer excluding any commission on the increased offer to which an agent may be entitled.

873.745. The amount of agents' commissions on the sale, if any, shall be fixed by the court and divided or limited in the manner provided for private sales of real property in decedents' estates.

873.750. (a) Upon confirmation of a sale, the court shall order the referee to execute a conveyance or other instrument of transfer, to collect the proceeds, take security, and perform other acts required to consummate the sale.

(b) The order may direct the referee concerning the distribution,

deposit, or securing of sale deposits and sale proceeds.

873.760. If the purchaser, after the confirmation of the sale, fails to pay the sale price, the purchaser is subject to the court's jurisdiction and to further proceedings in the action. Upon such failure, a party, or the referee, may upon notice move the court to order either of the following forms of relief:

(a) Resale of the property upon notice as provided in this chapter. If any loss is occasioned thereby, the referee may recover the amount of such loss and costs and expenses incurred, including a reasonable attorney's fee, from the purchaser who failed to pay.

(b) Maintenance by the referee of an action against the purchaser for the amount of the sale price. If the referee recovers judgment, the referee shall be awarded a reasonable attorney's fee against the purchaser.

873.770. Where the purchaser is a party or lienholder entitled to a share of the proceeds of sale, the referee may:

(a) Take the purchaser's receipt for so much of the proceeds of sale as belongs to the purchaser.

(b) Take security, or other arrangement satisfactory to the referee, for payment of amounts which are or may become due from the purchaser on account of the expenses of sale, general costs of the action, and costs of the reference.

873.780. The court may make orders relating to the closing of a sale after confirmation, including escrow and closing provisions and, if the referee and purchaser so agree and the court upon noticed motion determines it will not result in substantial prejudice to the parties, may make adjustments varying the terms of sale based on after-discovered defects.

873.790. (a) Upon fulfillment of the terms of sale, the referee shall execute a conveyance or other instrument of transfer to the purchaser.

(b) The conveyance or transfer of real property and the order authorizing such conveyance or transfer shall be recorded in each county in which the property is located.

Article 4. Disposition of Proceeds of Sale

873.810. The court shall order the proceeds of sale and any security therefor to be paid, transferred, deposited in court, placed in trust, or invested in State of California or United States government obligations or interest-bearing accounts in an institution whose accounts are insured by an agency of the federal government, to or for the benefit of the persons in interest entitled thereto, as may be appropriate or as specifically provided in this article.

873.820. The proceeds of sale for any property sold shall be applied in the following order:

(a) Payment of the expenses of sale.

(b) Payment of the other costs of partition in whole or in part or

to secure any cost of partition later allowed.

(c) Payment of any liens on the property in their order of priority except liens which under the terms of sale are to remain on the property.

(d) Distribution of the residue among the parties in proportion to their shares as determined by the court.

873.830. Where a part only of the property is sold, a tenant for life or years in an undivided share of the whole property may have his estate equitably set off in any part of the property not sold by way of complete or partial satisfaction of his share of the proceeds.

873.840. (a) The court shall ascertain the proportion of the proceeds of sale that will be a just and reasonable sum for the satisfaction of the estate of a tenant for life or years and shall order such amount distributed to him or held for his benefit.

(b) The court shall ascertain the proportional value of any vested or contingent future right or estate in the property and shall direct such proportion of the proceeds of sale to be distributed, secured, or held in such a manner as to protect the rights and interests of the parties.

(c) Notwithstanding any other provision of this section, in the case of an estate for life or defeasible estate with remainder over, the court may direct that the entire proceeds of sale be placed in trust as provided in this section upon a showing that the establishment of such a trust is economically feasible and will serve the best interests of the parties. The court shall appoint a trustee, upon security satisfactory to the court, who under court supervision shall invest and reinvest the proceeds, pay the income of the investments, if any, to the life tenant or owner of the defeasible interest, and upon termination of the life or defeasible estate, deliver or pay the corpus of the trust estate to the remainderman. The court shall retain jurisdiction over the settlement of the accounts of the trustee and in all matters necessary for the proper administration of the trust and the final distribution of the trust fund.

873.850. When the proceeds of the sale belonging to persons who are parties to the action, whether known or unknown, have not been allocated among such parties, the action may be continued as between such parties, for the determination of their respective claims thereto, which must be ascertained and adjudged by the court. Further testimony may be taken in court, or by a referee, at the discretion of the court, and the court may, if necessary, require such parties to present the facts or law in controversy, by pleadings, as in an original action.

CHAPTER 7. PARTITION BY APPRAISAL

873.910. When the interests of all parties are undisputed or have been adjudicated, the parties may agree upon a partition by appraisal pursuant to this chapter.

873.920. The agreement shall be in writing filed with the clerk of court and shall include:

(a) A description of the property.

(b) The names of the parties and their interests.

(c) The names of the parties who are willing to acquire the interests.

(d) The name or names of a person or persons to whose appointment as referee or referees the parties consent.

(e) The date or dates as of which the interests to be acquired are to be appraised.

(f) Other terms mutually agreed upon which may include, but are not limited to, provisions relating to abandonment of the action if the appraised value of the interest to be acquired exceeds a stated amount, required deposits on account of purchase price, terms of any credit, title and objections to title, and payment of the expenses of the procedure authorized by this chapter and of costs of the action.

873.930. (a) Any party to the agreement may, upon noticed motion, apply to the court for approval of the agreement.

(b) If the court determines that the agreement complies with Section 873.920 and that the terms and conditions are equitable, it shall approve the agreement and stay any pending division or sale of the property.

873.940. The court shall appoint one referee or, if provided in the agreement, three referees to appraise the property and the interests involved. The referee shall report the valuations and other findings to the court in writing filed with the clerk.

873.950. Any party to the agreement or the referee, upon 10 days' notice to the referee if the referee is not the moving party and to the other parties to the agreement, may move the court to confirm, modify, or set aside the report.

873.960. At the hearing, the court shall examine the report and witnesses. If the court determines that the proceedings have been regularly conducted, that transfer of title to the interests may regularly be made, and that no facts appear which would make such transfer inequitable, it shall confirm the report and order the interests transferred to the acquiring parties in proportion to their respective interests, or in such other proportion as is set out in the agreement. The order shall be conditioned upon payment of the amounts fixed as the purchase price and any other amounts required by the agreement, the giving of any required security, and payment by the parties of the expenses of the procedure authorized by this chapter and of the general costs of the partition or an appropriate share thereof. Thereafter the court, upon motion of a party to the agreement or of the referee, made upon not less than 10 days' notice to the parties who have appeared, shall determine whether the conditions have been fulfilled and, if so, shall enter judgment confirming the transfer; otherwise, upon such further proceedings as

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may be ordered, the action or proceeding shall be ordered terminated.

873.970. The agreement binds the heirs, executors, administrators, successors, and assigns of the parties. In the event of default, the aggrieved parties may specifically enforce the agreement by further proceedings in the action or may pursue any other remedy they may have at law or in equity.

873.980. The provisions of this chapter are cumulative and if, for default or other cause, interests are not transferred and acquired pursuant to this chapter, the parties may pursue their other rights of partition, subject to Section 873.970.

CHAPTER 8. COSTS OF PARTITION

Article 1. Allowance and Apportionment of Costs of Partition

874.010. The costs of partition include:

(a) Reasonable attorney's fees incurred or paid by a party for the common benefit.

(b) The fee and expenses of the referee.

(c) The compensation provided by contract for services of a surveyor or other person employed by the referee in the action.

(d) The reasonable costs of a title report procured pursuant to Section 872.220 with interest thereon at the legal rate from the time of payment or, if paid before commencement of the action, from the time of commencement of the action.

(e) Other disbursements or expenses determined by the court to have been incurred or paid for the common benefit.

874.020. The costs of partition include reasonable expenses, including attorney's fees, necessarily incurred by a party for the common benefit in prosecuting or defending other actions or other proceedings for the protection, confirmation, or perfection of title, setting the boundaries, or making a survey of the property, with interest thereon at the legal rate from the time of making the expenditures.

874.030. Where disbursements have been made by a party under the direction of the court, interest at the legal rate shall be allowed thereon from the time of making such disbursements.

874.040. Except as otherwise provided in this article, the court shall apportion the costs of partition among the parties in proportion to their interests or make such other apportionment as may be equitable.

874.050. (a) The court may order that the share of the costs apportioned to a future interest be paid by other parties to the action or by the persons who are then the presumptive owners of the future interest.

(b) Where the court orders payment pursuant to this section, such payment is subject to a right of reimbursement, with interest at the legal rate, secured by a charge upon the future interest.

Article 2. Payment of Costs of Partition

874.110. (a) The costs of partition as apportioned by the court may be ordered paid in whole or in part prior to judgment.

(b) Any costs that remain unpaid shall be included and specified in the judgment.

874.120. (a) The costs shall be a lien on the share of the party specified.

(b) A lien imposed by this section has priority over any other lien on the share except those imposed under this section.

874.130. Upon application of a person entitled to a lien imposed under this article and upon a showing of good cause, the court may order a sale of all or a portion of the property before or after judgment for the benefit of all such lien claimants without priority among them.

874.140. A judgment for unpaid costs of partition may be enforced by the person entitled to the costs by execution against the share of the party specified in the judgment or against other property of the party.

CHAPTER 9. JUDGMENT

874.210. The judgment in the action is binding and conclusive on all of the following:

(a) All persons known and unknown who were parties to the action and who have or claim any interest in the property, whether present or future, vested or contingent, legal or beneficial, several or undivided.

(b) All persons not in being or not ascertainable at the time the judgment is entered who have any remainder interest in the property, or any part thereof, after the determination of a particular estate therein and who by any contingency may be entitled to a beneficial interest in the property, provided the judge shall make appropriate provision for the protection of such interests.

(c) Except as provided in Section 874.230, all persons who were not parties to the action and who have or claim any interest in the property which was not of record at the time the lis pendens was filed, or if none was filed, at the time the judgment was recorded.

(d) All persons claiming under any of the foregoing persons.

874.220. The judgment does not affect the interest of any person who was not a party to the action and who had an interest of record in the property or part thereof at the time the lis pendens was filed, or if none was filed, at the time the judgment was recorded.

874.230. Where a person having or claiming an unrecorded interest in the property or part thereof was not a party to the action but the existence or claim of the interest was actually known to the plaintiff at any time before entry of the interlocutory judgment or would have been reasonably apparent from an inspection of the

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property, the judgment does not affect the interest of such person in the portion of the property or proceeds of sale thereof allocated to the plaintiff. Nothing in this section shall be construed to impair the rights of a bona fide purchaser or encumbrancer for value dealing with the plaintiff or his successors in interest.

874.240. A conveyance or transfer pursuant to Sections 873.750 and 873.790 or Section 873.960 is binding and conclusive, in the same manner as a judgment.

SEC. 7. Section 1103 of the Probate Code is amended to read:

1103. The court shall proceed to take evidence and to partition, allot and divide the property so that each party shall receive property of a value proportionate to his interest in the whole, and for that purpose it may direct the executor or administrator to sell property when, under the circumstances, sale would be more equitable than partition and when the property cannot conveniently be allotted to any one party. The sale shall be conducted and confirmed in the same manner as other probate sales. Any two or more parties may agree to accept undivided interests.

SEC. 8. Section 3965 of the Revenue and Taxation Code is amended to read:

3965. If the court orders a sale of the property or a partition thereof, the same shall be made in accordance with the provisions of Title 10.5 (commencing with Section 872.010) of Part 2, of the Code of Civil Procedure, except that proceeds of sale belonging to unknown special assessment owners, or persons claiming an interest in said special assessments, shall be paid to the treasurer, to be held by him as in like instances of collections by said treasurer of special assessments.

SEC. 9. (a) Subject to the provisions of this section, this act upon its effective date applies to actions commenced prior thereto unless in the opinion of the trial court application of a particular provision would be materially inconsistent with the proceedings theretofore had or would substantially interfere with the effective conduct of the action or the rights of the parties or other interested persons, in which case the particular provision does not apply and the law applicable thereto prior to the effective date applies.

(b) Sections 872.210 and 872.710 of the Code of Civil Procedure, do not apply to an action commenced prior to the effective date.

(c) If, on the effective date, summons was issued but not served in an action, service and proof of service may be made pursuant to the law applicable thereto prior to the effective date.

(d) If, on the effective date, securities have been taken, investments made, or funds deposited pursuant to former Sections 777, 788, 793, or 794, of the Code of Civil Procedure, or a trust has been established pursuant to former Section 784 of the Code of Civil Procedure, the trial court retains jurisdiction as provided under the law applicable thereto prior to the effective date. The trial court, upon reasonable notice and opportunity to be heard and if it appears

in the best interests of the parties and other interested persons, may order that securities, investments, or funds held by the county clerk be assigned, delivered, or paid over to a trustee or agent, or otherwise transferred from the name or custody of the county clerk.

SEC. 10. Where real property is subject to a lien on a parity with that on which the owner's title is based, an action for partition thereof may be brought by the owner or by the holder of such lien within one year after the effective date of this act.

CHAPTER 74

An act to amend Section 25000 of the Business and Professions Code, relating to alcoholic beverages.

[Became law without Governor's signature March 28, 1976. Filed with Secretary of State March 29, 1976.]

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

SECTION 1. Section 25000 of the Business and Professions Code is amended to read:

25000. Each manufacturer, importer, and wholesaler of beer shall file and thereafter maintain on file with the department, in triplicate and in such form as the department may provide, a written schedule of selling prices charged by the licensee for beer sold and distributed by him to his customers in California, except that the transfer of beer between wholesalers who sell the same brand in package is permitted without filing the schedule of selling prices.

CHAPTER 75

An act to add Section 2504.1 to the Elections Code, relating to special elections.

[Became law without Governor's signature March 28, 1976. Filed with Secretary of State March 29, 1976.]

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

SECTION 1. Section 2504.1 is added to the Elections Code, to read:

2504.1. Notwithstanding the provisions of Section 2504, if any county provides in its charter for a vacancy on the board of supervisors to be filled by special election, such election may be held on the date provided in the charter.

CHAPTER 76

An act to amend Section 14402.1 of the Government Code, relating to state contracts.

[Approved by Governor March 30, 1976. Filed with Secretary of State March 30, 1976.]

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

SECTION 1. Section 14402.1 of the Government Code is amended to read:

14402.1. The contractor shall pay to his subcontractors, within 10 days of receipt of each progress payment, unless otherwise agreed in writing by the parties, the respective amounts allowed the contractor on account of the work performed by his subcontractors, to the extent of each such subcontractor's interest therein. Such payments to subcontractors shall be based on estimates made pursuant to Section 14402. Any diversion by the contractor of payments received for prosecution of a contract, or failure to reasonably account for the application or use of such payments constitutes ground for actions proscribed in Section 14394, in addition to disciplinary action by the Contractors' State License Board. The subcontractor shall notify in writing the Contractors' State License Board and the department of any payment less than the amount or percentage approved for the class or item of work as set forth in Section 14402.

CHAPTER 77

An act making an appropriation to pay claims, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1976. Filed with Secretary of State March 30, 1976.]

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

SECTION 1. The sum of two million one hundred forty-one thousand three hundred sixty-two dollars and eighty-one cents ($2,141,362.81) is hereby appropriated from the funds indicated to the Director of Finance for allocation for the payment of claims in accordance with the following schedule:

Schedule:

(a) To the State Board of Control to pay the claims of the Secretary of the State Board of Control:

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General Fund	$1,202,184.95
State Transportation Fund	
State Highway Account	7,038.80
Motor Vehicle Account	1,393.41
Transportation Tax Fund	
Motor Vehicle Account	42,194.00
Motor Vehicle License Fee Account	6,503.00
Motor Vehicle Fuel Account	648.73
Special Deposit Fund, Motor Vehicle Financial Responsibility Account	1,150.00
State Compensation Insurance Fund	4,260.00
Unemployment Administration Fund	934.31
Unemployment Compensation Disability Fund	293.98
Unemployment Insurance Fund	193.78
Bagley Conservation Fund	99.48
Fair and Exposition Fund	1,139.84
Assembly Contingent Fund	2,622.83
Senate Contingent Fund	2,622.83
Health Care Deposit Fund	186,522.30
Water Resources Revolving Fund	17,019.57
Total	$1,478,544.91

(b) To the Department of Justice for settlement of the claims of A. D. Bourne, Percy Cain, Jr., Howard M. Hawkins, Vincente Munoz, Arthur Oroz, Lucille Scharf, Graham Trotter, Linda M. Calleros, Heronimo Banuelos, Jesus Quinnones, Maria E. Gonzales, and Warren Sanders against the Department of Industrial Relations of the State of California in an action brought in Los Angeles Superior Court:

General Fund	$664,541.00

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

In order to settle claims against the state and ending a hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

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CHAPTER 78

An act to amend Section 8550 of, to add Sections 8210.3, 8210.4, 8210.5, and 8210.7 to, and to repeal Sections 8554 and 8555 of, the Fish and Game Code, relating to commercial fishing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1976 Filed with Secretary of State March 30, 1976.]

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

SECTION 1. Section 8210.3 is added to the Fish and Game Code, to read:

8210.3. In Districts 6, 7, 10, 11, 15, 16, 17, 18, and 19 under the authority of a commercial fishing license, species of salmon other than king and silver salmon may be taken between April 15th and September 30th. Such salmon may be taken only by hook and line and there is no bag limit.

SEC. 2. Section 8210.4 is added to the Fish and Game Code, to read:

8210.4. Notwithstanding the provisions of Section 8210.2, no silver salmon may be landed in this state prior to May 25th in Districts 6, 7, 8, 9, 10, 11, 12, and 13 unless the vessel landing such silver salmon has a valid hold inspection certificate issued by the department. This section shall apply only to vessels 26 feet or greater in length.

SEC. 3. Section 8210.5 is added to the Fish and Game Code, to read:

8210.5. Hold inspection certificates shall be issued by the department, upon request, to operators of vessels which are determined by the department to be empty of silver salmon by an inspection conducted between the dates of May 13th and May 24th of each season. No hold inspection certificate shall be issued to any vessel which, in the opinion of the person performing such inspection, cannot reasonably be determined to be empty of silver salmon.

SEC. 4. Section 8210.7 is added to the Fish and Game Code, to read:

8210.7. Notwithstanding the other provisions of this article, vessels capable of brining or freezing fish may not land silver salmon at any time in Districts 6, 7, 8, 9, 10, 11, 12, and 13 prior to obtaining a hold inspection certificate. The department shall provide inspections to such vessels, upon request, on any date after May 13th of each season.

SEC. 5. Section 8550 of the Fish and Game Code is amended to read:

8550. Herring may be taken for commercial purposes only under a revocable, nontransferable permit, subject to such regulations as the commission shall prescribe. The commission may, whenever

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necessary to prevent overutilization, to insure efficient and economic operation of the fishery, or to otherwise carry out the provisions of this article, limit the total number of permits which are granted and the amount which may be taken under such permits.

The commission, in limiting the total number of permits, shall take into consideration any restriction of the fishing area and the safety of others who, for purposes other than fishing, use the waters from which herring are taken.

SEC. 5.5. Section 8550 of the Fish and Game Code, as amended by Section 5 of this act, is amended to read:

8550. Herring may be taken for commercial purposes only under a revocable, nontransferable permit, subject to such regulations as the commission shall prescribe. The commission may, whenever necessary to prevent overutilization, to insure efficient and economic operation of the fishery, or to otherwise carry out the provisions of this article, limit the total number of permits which are granted and the amount which may be taken under such permits.

The commission, in limiting the total number of permits, shall take into consideration any restriction of the fishing area and the safety of others who, for purposes other than fishing, use the waters from which herring are taken.

The commission shall require previous experience in the use of gill nets, purse seine, or round haul nets and shall require ownership or right of possession and use of boats and gear capable of handling such nets as a qualification for such permit.

SEC. 6. Section 8554 of the Fish and Game Code is repealed.

SEC. 7. Section 8555 of the Fish and Game Code is repealed.

SEC. 8. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

SEC. 9. It is the intent of the Legislature, if this bill and Assembly Bill No. 562 are both chaptered and become effective on or before January 1, 1977, both bills amend Section 8550 of the Fish and Game Code, and this bill is chaptered after Assembly Bill No. 562, that Section 8550 of the Fish and Game Code, as amended by Section 5 of this act, shall remain operative until the effective date of Assembly Bill No. 562, and that on the effective date of Assembly Bill No. 562 Section 8550 of the Fish and Game Code, as amended by Section 5 of this act, be further amended in the form set forth in Section 5.5 of this act to incorporate the changes in Section 8550 proposed by Assembly Bill No. 562. Therefore, if this bill and Assembly Bill No. 562 are both chaptered and become effective on or before January 1, 1977, and Assembly Bill No. 562 is chaptered before this bill and

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amends Section 8550, Section 5.5 of this act shall become operative on the effective date of Assembly Bill No. 562.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act is necessary to prevent violations of the seasonal limit on taking silver salmon under a commercial license and to revise the permit procedure for the commercial taking of herring. To prevent such violations during the silver salmon season for 1976, and to revise such permit requirements for the commercial taking of herring in California waters, this act must go into immediate effect.

CHAPTER 79

An act to amend Section 2019 of the Code of Civil Procedure, relating to depositions upon oral examination.

[Approved by Governor March 30, 1976. Filed with Secretary of State March 30, 1976.]

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

SECTION 1. Section 2019 of the Code of Civil Procedure is amended to read:

2019. (a) (1) A party desiring to take the deposition of any person upon oral examination shall give notice in writing to every other party to the action. The notice shall state the time and place for taking the deposition and the name and address of each person to be examined, if known, and, if the name is not known, a general description sufficient to identify him or the particular class or group to which he belongs. Such notice must be at least 10 days, adding also one day for every 300 miles of the distance of the place of examination from the residence of the person to whom the notice is given, except that on motion of any party, with or without notice, and for good cause shown, the court may enlarge or shorten the time, or may stay the taking of the deposition until the hearing and determination of a motion for an order pursuant to subdivision (b) of this section. Service of such notice or motion may be made upon any party or his attorney in the manner provided in Chapter 5 (commencing with Section 1010) of Title 14 of Part 2 of this code.

(2) Notwithstanding Section 1989 and the distance provisions specified in paragraph (4) of this subdivision, the deposition, whether of a party or any other person, shall be taken only in the county of residence of the deponent or at a place not more than 75 miles from the residence of the deponent or, if the deponent is a party, in the county of place of trial when the place of deposition is less than 150 miles from the residence of the deponent, unless the

court, pursuant to paragraph (1) or (2) of subdivision (b) of this section, otherwise orders. If the parties so stipulate in writing, depositions may be taken before any person, at any time or place, upon any notice, and in any manner and when so taken may be used like other depositions.

(3) If an adverse party is in default for not appearing within the time allowed by the law or the court, or if, in a special proceeding, some or all of the parties interested have not appeared, a deposition may be taken without the giving of any notice to the party so in default or not appearing; and in any case on motion of any party, with or without notice, and for good cause shown, the court may authorize the taking of a deposition without the giving of notice to parties who have not been served with summons.

(4) In the case of depositions of a party to the record of any civil action or proceeding or of anyone who at the time of taking the deposition is an officer, director or managing agent of any such party, the service of a subpoena upon any such deponent is not required if proper notice of the taking of such deposition is given to the attorney for such party or to the party, if he has no attorney. In the case of depositions of a person for whose immediate benefit an action or proceeding is prosecuted or defended or of anyone who at the time of taking the deposition is an officer, director or managing agent of any such person, the service of a subpoena upon any such deponent is not required if proper notice of the taking of such deposition is given to the attorney of the party prosecuting or defending the action or proceeding for the immediate benefit of the deponent or to such party, if he has no attorney. A notice to take the deposition of a person described in this paragraph cannot require the attendance of such person at a place more than 150 miles from the residence of such person, unless the party desiring to take such deposition first obtains an order pursuant to the provisions of paragraph (2) of subdivision (b) of this section.

(5) In the case of depositions for which the production of books, documents, or other things is required of a party to the record of any civil action or proceeding or person for whose immediate benefit an action or proceeding is prosecuted or defended or anyone who is an officer, director, or managing agent of any such party or person, the service of a subpoena duces tecum and affidavit upon any such person is not required if proper notice is served upon the attorney of such party or person. Such notice shall specify the exact materials or things to be produced.

(b) (1) Upon motion seasonably made by any party or by the person to be examined or notified to produce books, documents, or other things and upon notice, or upon the court's own motion and after giving counsel an opportunity to be heard, and in either case for good cause shown, the court in which the action is pending may make an order that the deposition shall not be taken, or that it may be taken only at some designated time or place other than stated in

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the notice of taking the deposition, or that the deposition may be taken outside the county of residence and at a place more than 75 miles and less than 150 miles from the residence of the deponent in cases not provided for by paragraph (2) of subdivision (a) of this section, or that it shall not be taken except by allowing written interrogatories by one or more parties, or that certain matters shall not be inquired into, or that the scope of the examination shall be limited to certain matters, books, documents, or other things, or that the examination shall be held with no one present except the parties to the action and their officers or counsel, or that after being sealed the deposition shall be opened only by order of the court, or that secret processes, developments, or research need not be disclosed, or that the parties shall simultaneously file specified documents or information enclosed in sealed envelopes to be opened as directed by the court; or the court may make any other order which justice requires to protect the party or witness from annoyance, embarrassment, or oppression. In granting or refusing such order the court may impose upon either party or upon the witness the requirement to pay such costs and expenses, including attorney's fees, as the court may deem reasonable.

(2) Notwithstanding Section 1989, the court may, upon motion on 10 days' written notice and for good cause shown, make an order requiring a deponent who is a party to the record of any civil action or proceeding or is a person for whose immediate benefit said action is prosecuted or defended or is at the time of the taking of the deposition an officer, director or managing agent of any such party or person to attend a deposition at a place more than 150 miles from the residence of such deponent. In granting or refusing such order, the court shall consider whether the moving party selected the forum, whether the deponent will be present at the trial, the convenience of the deponent, the suitability of discovery through a deposition by written interrogatories or other discovery methods, the number of depositions sought under this section, the expense to the parties of requiring the deposition to be taken within 150 miles of the residence of the deponent, the whereabouts of the deponent at the time the deposition is scheduled to be taken, and all other factors tending to show whether or not the interests of justice and the convenience of the parties and witnesses will be served by requiring the deponent to appear for his deposition at a place more than 150 miles from his residence. Such order may provide that the party desiring to take such deposition shall pay the reasonable expenses incurred by the deponent in attending such deposition and that he furnish an undertaking approved by the court to secure such payment and may contain such other terms and conditions as are equitable and just.

(c) The officer before whom the deposition is to be taken shall put the witness on oath and shall personally, or by someone acting under his direction and in his presence, record the testimony of the witness.

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The testimony shall be taken stenographically and transcribed unless the parties agree otherwise. All objections made at the time of the examination to the qualifications of the officer taking the deposition, or to the manner of taking it, or to the evidence presented, or to the conduct of any party, and any other objection to the proceedings, shall be noted by the officer upon the deposition. Evidence objected to shall be taken subject to the objections. In lieu of participating in the oral examination, parties served with notice of taking a deposition may transmit written interrogatories to the officer, who shall propound them to the witness and record the answers verbatim.

(d) At any time during the taking of the deposition, on motion of any party or of the deponent, or upon the court's own motion and after giving counsel an opportunity to be heard, and in either case upon a showing that the examination is being conducted in bad faith or in such manner as unreasonably to annoy, embarrass, or oppress the deponent or party, the court in which the action is pending or the superior court in the county where the deposition is being taken may order the officer conducting the examination to cease forthwith from taking the deposition, or may limit the scope and manner of the taking of the deposition as provided in subdivision (b) of this section. If the order made terminates the examination, it shall be resumed thereafter only upon the order of the court in which the action is pending. Upon demand of the objecting party or deponent, the taking of the deposition shall be suspended for the time necessary to make a motion for an order. In granting or refusing such order the court may impose upon either party or upon the witness the requirement to pay such costs or expenses, including attorney's fees, as the court may deem reasonable.

(e) Unless the parties agree on the record to another procedure for reading, correcting, and signing the original of the deposition, when the testimony is fully transcribed the officer shall notify the deponent and counsel in writing that the original of the deposition is available for reading, correcting and signing at the office of the officer, and shall remain so available during business hours of business days for a period of 30 calendar days following such notification. The examination and reading of the transcribed testimony may be waived by the witness and by the parties. Any changes in form or substance which the witness desires to make shall be entered upon the deposition. The deponent may correct or approve or refuse to approve the deposition for a period of 30 days following the notification prescribed in this subdivision by means of a letter addressed and mailed or delivered to the transcribing officer indicating any changes to be made, approval, or refusal to approve the deposition. Such changes, approval, or refusal to approve the deposition, when made by letter, shall be equivalent to personal changes, approval, or refusal to approve the deposition.

If the deponent fails to appear at the office of the officer or notify him by letter as provided in this subdivision within such 30-day

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period, or if the witness so appears or sends such letter but refuses to approve or sign the deposition, the officer shall indicate on the original the fact that the deponent failed to appear, or the fact that the deponent refused to sign together with any reason given therefor, and file it with the court. Thereafter the deposition shall have the same force and effect as though it had been read, corrected and signed by the deponent, unless on a motion to suppress under subdivision (d) of Section 2021 of this code the court holds that the reasons given for the refusal to sign require rejection of the deposition in whole or in part.

(f) (1) The officer shall certify on the deposition that the witness was duly sworn by him and that the deposition is a true record of the testimony given by the witness. He shall then securely seal the deposition in an envelope endorsed with the title of the action and marked "Deposition of (here insert name of witness)" and shall promptly file it with the court in which the action is pending or send it by registered mail to the clerk thereof for filing.

(2) Upon payment of reasonable charges therefor, the officer shall furnish a copy of the deposition to any party or to the deponent.

(3) The party taking the deposition shall give prompt notice of its filing to all other parties.

(g) (1) If the party giving the notice of the taking of a deposition fails to attend and proceed therewith and another party attends in person or by attorney pursuant to the notice, the court may order the party giving the notice to pay such other party the amount of the reasonable expenses incurred by him and his attorney in so attending, including reasonable attorney's fees.

(2) If the party giving the notice of the taking of a deposition of a witness fails to serve a subpoena upon him and the witness because of such failure does not attend, and if another party attends in person or by attorney because he expects the deposition of that witness to be taken, the court may order the party giving the notice to pay to such other party the amount of the reasonable expenses incurred by him and his attorney in so attending, including reasonable attorney's fees.

CHAPTER 80

An act to add Section 4011.9 to the Penal Code, relating to prisoners.

[Approved by Governor March 30, 1976. Filed with Secretary of State March 30, 1976]

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

SECTION 1. Section 4011.9 is added to the Penal Code, to read:

4011.9. Notwithstanding the provisions of Sections 4011 and 4011.5, when it appears that the prisoner in need of medical or surgical treatment necessitating hospitalization or in need of medical or hospital care was arrested for, charged with, or convicted of an offense constituting a felony, the court in proceedings under Section 4011 or the sheriff or jailer in action taken under Section 4011.5 may direct that the guard be removed from the prisoner while he is in the hospital, if it reasonably appears that the prisoner is physically unable to effectuate an escape or the prisoner does not constitute a danger to life or property.

CHAPTER 81

An act to add and repeal Section 53736.5 to the Government Code, relating to capital outlay funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 1, 1976 Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 53736.5 is added to the Government Code, to read:

53736.5. Notwithstanding the provisions of Section 53736, money may be temporarily loaned to the general fund of a county upon condition that the loan must be repayable from revenue received or accrued during the fiscal year in which the loan is made.

This section shall remain in effect only until June 30, 1977, and as of such date is repealed, unless a later enacted statute, which is chaptered before June 30, 1977, deletes or extends such date.

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

Several local agencies are faced with a serious cash shortage during the period from April 25 through June 30, 1976. Some of these agencies have cash available in capital outlay funds which could be utilized and later reimbursed to the fund from revenues accrued but not actually received. Without the necessary cash, there is a very real danger that needed services, essential to the public peace, health, and safety will have to be curtailed.

CHAPTER 82

An act to add Section 1810.11 to the Civil Code, relating to retail installment contracts.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 1810.11 is added to the Civil Code, to read:

1810.11. (a) Except as otherwise provided in subdivision (b), the seller shall furnish to each buyer, no later than March 1 of each year, a written statement of all finance charges which the seller has charged the buyer or which the buyer has paid to the seller during the preceding year.

If the seller is required to furnish the buyer with a periodic billing or periodic statement of account or furnishes such billing or statement of account, the written statement of finance charges may be furnished along with such periodic billing or periodic statement of account.

(b) If the seller is not required to furnish to the buyer a periodic billing or statement of account between January 1 and March 1 of a particular year, the seller shall not be required to furnish within that year the written statement of finance charges.

"Seller," for the purposes of this section, means a person engaged in the business of selling goods or furnishing services to retail buyers whose annual sales pursuant to retail installment accounts in California have exceeded one hundred fifty million dollars ($150,000,000) in the seller's last two consecutive years.

SEC. 2. The written statement required by this act shall first be furnished not later than March 1, 1979.

CHAPTER 83

An act to amend Section 1653 of the Elections Code, relating to elections.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 1653 of the Elections Code is amended to read:

1653. Each member of a precinct board shall receive compensation for services a sum fixed by the board of supervisors of the county which sum shall be paid out of the treasury of the county

in which the election is held. The inspector may receive up to five dollars ($5) more compensation than the other members of the precinct board. The additional compensation to the inspector is for services rendered in securing precinct board members and other duties which may be directed by the clerk.

CHAPTER 84

An act to amend Sections 20750.42 and 20750.89 of the Government Code, relating to the Public Employees' Retirement System, and making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 20750.42 of the Government Code is amended to read:

20750.42. The contribution of an employer to the retirement fund with respect to state industrial members is a sum equal to the following percentages of the compensation paid state industrial members employed by such employer:

(a) 14.04 percent during the 1975–76 fiscal year.
(b) 15.04 percent during the 1976–77 fiscal year.
(c) 16.04 percent during the 1977–78 fiscal year.
(d) 17.04 percent during the 1978–79 fiscal year.
(e) 18.60 percent during the 1979–80 fiscal year.

The percentage in subdivision (a) shall be applied retroactively and prospectively to all compensation paid during the fiscal year. Adjustment with respect to contributions to the fund prior to the effective date of the amendments to this section at the 1975–76 Regular Session shall be made as provided in Section 20165.

SEC. 1.5. Section 20750.89 of the Government Code is amended to read:

20750.89. The state shall make contributions in addition to contributions otherwise specified in this chapter in a sum equal to 1.52 percent of the compensation paid state miscellaneous members.

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

This act must take effect as early as possible in the current fiscal year to reduce continuing unbudgeted expenditures and excessive payments.

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CHAPTER 85

An act to add Section 21151.1 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 21151.1 is added to the Government Code, to read:

21151.1. Notwithstanding Section 21151, the retirement allowance of a retired person who serves without reinstatement from retirement in an elective office to which he is elected on or after June 14, 1975, shall be suspended during incumbency in such office and no allowance shall be paid for the period of such incumbency, if the allowance is based in whole or in part on service in that elective office. Such retirement allowance shall be paid for time on and after the person vacates the elective office in the monthly amount payable had the allowance not been suspended.

The governing body of every employer other than the state shall cause immediate notice to be given to the system of the election of any retired person to an office of such employer.

CHAPTER 86

An act to add Section 21118 to the Education Code, relating to school employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 21118 is added to the Education Code, to read:

21118. Notwithstanding any other provision of law to the contrary, the following procedure may be utilized to make payments to companies providing tax-sheltered annuities for employees of school districts, community college districts, and county superintendents of schools. The county superintendent of schools may designate one or more national or state banks having its principal office in this state, provided its deposits are insured by the Federal Deposit Insurance Corporation, to act as disbursing agents for school districts and community college districts under his jurisdiction, and the county superintendent of schools. The county

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superintendent of schools may draw orders and requisitions upon the funds of the respective public employers for the purchase of authorized tax-sheltered annuities, in favor of such banks. The county auditor shall follow the procedure with respect to examining and allowing such orders and requisitions set forth in Section 21109. The county superintendent of schools, upon receiving allowed warrants from the county auditor, shall transmit them to such designated banks. As soon as feasible following transmittal of such warrants to such banks, the county superintendent of schools shall furnish such banks with listings containing all information required to enable such banks to properly disburse payments to the companies, including identification of the employees for whom the annuities are purchased, the amount of payment on behalf of each designated employee, and the company to which the payment on behalf of each designated employee is to be made. It shall be the duty of each such bank to disburse such payments to the companies entitled thereto by check, bank draft, or other appropriate instrument of the bank, within a reasonable time after receipt of each such payment and the listings furnishing the necessary information for disbursements, which time period shall not exceed 10 working days. Such disbursing banks shall be deemed to be agents of the respective public employers purchasing such annuities on behalf of their respective employees, and the moneys received by the banks shall be deemed to be deposits of the respective public employers. Security for the deposits shall be furnished as required by the laws of this state.

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

Sections 53630 and following of the Government Code have been interpreted to prohibit county superintendents of schools from authorizing banks to act as disbursing agents for school districts, community college districts, and county superintendents of schools, of payments to companies providing tax-sheltered annuities for their employees. In order to correct this situation at the earliest possible time and permit the purchase of tax-sheltered annuities for employees of school districts, community college districts, and county superintendents of schools, it is necessary that this act take effect immediately.

CHAPTER 87

An act relating to improvements, and making an appropriation therefor.

[Approved by Governor April 2, 1976 Filed with Secretary of State April 2, 1976.]

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

SECTION 1. The sum of thirteen thousand seven hundred sixty-five dollars ($13,765) is hereby appropriated from the Fish and Game Preservation Fund in the State Treasury to the Department of Fish and Game for disbursement to the Chino Basin Municipal Water District in full payment of Assessment No. 1601 of Assessment District No. 1 thereof, levied for the cost of construction of certain sanitary sewers together with appurtenances and appurtenant work and incidental costs and expenses in connection therewith, pursuant to the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000), Streets and Highways Code), and the Improvement Act of 1911 (Division 7 (commencing with Section 5000), Streets and Highways Code).

CHAPTER 88

An act to add Section 72.7 to the Harbors and Navigation Code, relating to harbors and watercraft.

[Approved by Governor April 2, 1976 Filed with Secretary of State April 2, 1976]

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

SECTION 1. Section 72.7 is added to the Harbors and Navigation Code, to read:

72.7. (a) The department, subject to the approval of the Legislature in accordance with Section 85.2, may grant funds to a county, city, district, or other public agency for the construction or procurement of floating restrooms. The department shall establish general policies for determining appropriate bodies of water and locations thereon for placing floating restrooms. The department may adopt such rules and regulations as may be necessary to carry out the provisions of this section.

(b) The department shall submit any project for which it recommends any grant be made to the Governor for inclusion in the Budget Bill.

(c) It is the intent of the Legislature that the purpose of this section is to furnish restroom facilities on bodies of water where conventional restrooms cannot meet the needs of boaters and where the presence of floating restrooms may lessen environmental degradation of such bodies of water.

CHAPTER 89

An act to add Sections 701.1, 701.2, 701.3, 701.4, 701.5, 701.6, and 701.7 to the Welfare and Institutions Code, relating to minors.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 701.1 is added to the Welfare and Institutions Code, to read:

701.1. Where the court finds, based upon competent professional evidence, that an injury, injuries, or detrimental condition sustained by a minor, of such a nature as would ordinarily not be sustained except as the result of the unreasonable or neglectful acts or omissions of either parent, the guardian, or other person who has the care or custody of the minor, such evidence shall be prima facie evidence of the minor's need of proper and effective parental care, and such proof shall be sufficient to support a finding that the minor is described by subdivision (a) of Section 600.

SEC. 2. Section 701.2 is added to the Welfare and Institutions Code, to read:

701.2. Where the court finds, based upon competent professional evidence, that an injury, injuries, or detrimental condition sustained by a minor, of such a nature as would ordinarily not be sustained except as the result of the unreasonable or neglectful acts or omissions of either parent, the guardian, or other person who has the care or custody of the minor, such evidence shall be prima facie evidence that the minor's home is an unfit place for him by reason of the neglect of either of his parents, his guardian, or other person who has the care or custody of said minor, and such proof shall be sufficient to support a finding that the minor is described by subdivision (d) of Section 600.

SEC. 3. Section 701.3 is added to the Welfare and Institutions Code, to read:

701.3. Where the court finds, based upon competent professional evidence, that an injury, injuries, or detrimental condition sustained by a minor, of such a nature as would ordinarily not be sustained except as the result of the unreasonable or neglectful acts or omissions of either parent, the guardian, or other person who has the care or custody of the minor, such evidence shall be prima facie evidence that the minor's home is an unfit place for him by reason of the cruelty to him by either of his parents, his guardian, or other person who has the care or custody of said minor, and such proof shall be sufficient to support a finding that the minor is described by subdivision (d) of Section 600.

SEC. 4. Section 701.4 is added to the Welfare and Institutions Code, to read:

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701.4. Where the court finds, based upon competent professional evidence, that an injury, injuries, or detrimental condition sustained by a minor, of such a nature as would ordinarily not be sustained except as the result of the unreasonable or neglectful acts or omissions of either parent, the guardian, or other person who has the care or custody of the minor, such evidence shall be prima facie evidence that the minor's home is an unfit place for him by reason of the physical abuse of him by either of his parents, his guardian, or other person who has the care or custody of said minor, and such proof shall be sufficient to support a finding that the minor is described by subdivision (d) of Section 600.

SEC. 5. Section 701.5 is added to the Welfare and Institutions Code, to read:

701.5. Proof that either parent, the guardian, or other person who has the care or custody of a minor who is the subject of a petition filed under Section 600, has physically abused, neglected, or cruelly treated another minor shall be admissible in evidence.

SEC. 6. Section 701.6 is added to the Welfare and Institutions Code, to read:

701.6. The presumptions created by Sections 701.1, 701.2, 701.3, and 701.4 shall constitute presumptions affecting the burden of producing evidence.

SEC. 7. Section 701.7 is added to the Welfare and Institutions Code, to read:

701.7. Testimony by a parent, guardian, or other person who has the care or custody of the minor made the subject of a proceeding under subdivision (a) or (d) of Section 600 shall not be admissible as evidence in any other action or proceeding.

CHAPTER 90

An act to amend Section 23527.5 of, and to add Sections 23509.5, 23511.1, 23511.2, 23511.3, and 23557.5 to, the Elections Code, relating to elections.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 23509.5 is added to the Elections Code, to read:

23509.5. The general district election, if conducted by all-mailed ballot, shall be held on the first Tuesday following the first Monday in September of odd-numbered years. All other district elections conducted by mailed ballot may be held in accordance with the dates set forth in the district enabling act or may be consolidated with the general district election.

SEC. 2. Section 23511.1 is added to the Elections Code, to read:

23511.1. Notwithstanding any other provisions of law and regardless of the number of eligible voters within its boundaries a district may, by resolution of its governing board, conduct any election by all-mailed ballots pursuant to Section 22032.

SEC. 3. Section 23511.2 is added to the Elections Code, to read:

23511.2. At the first general district election conducted by all-mailed ballot the following question shall be printed on the ballot:

SHALL THE MAILED BALLOT BE USED TO CONDUCT ALL FUTURE GENERAL DISTRICT ELECTIONS?

and boxes shall be provided for the voter to indicate "Yes" or "No." If the majority of the voters favor the all-mailed ballot election it shall be adopted as the procedure for conducting future general district elections. If the question is rejected by the voters it may be resubmitted at any subsequent general district election in the manner provided for in Section 23511.3.

SEC. 4. Section 23511.3 is added to the Elections Code, to read:

23511.3. The question set forth in Section 23511.2, as to whether an all-mailed ballot election is required to be used in the conduct of all future general district elections, shall be printed on the ballot of any general district election upon (a) the adoption of an appropriate resolution by the governing board, or (b) upon the submission of an initiative petition to the governing board signed by voters not less in number than 10 percent of the voters in the district pursuant to the procedure set forth in Chapter 4 (commencing with Section 5150) of Division 4.

The provisions of this section shall apply only to those districts in which an election by all-mailed ballots was conducted pursuant to a resolution adopted by the governing board of the district in the manner provided for by Section 23511.1.

SEC. 5. Section 23527.5 of the Elections Code is amended to read:

23527.5. At least 35 days prior to the date fixed for the landowner district election, the secretary of a landowner district for which an election has not been canceled pursuant to Section 23520, shall deliver to the county clerk of each affected county a list of voters qualified under the principal act of that district to vote in that county at the next landowner district election. For this purpose the secretary of a landowner voting district shall be entitled to obtain from any office of an affected county all information necessary to prepare the list.

The list shall contain the name of each voter qualified under the principal act of the landowner voting district to vote at the next landowner district election, the residence of each such voter, the division, if any, of the district in which each such voter is entitled to vote, and the manner in which the votes are to be distributed.

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The secretary of the landowner district shall sign the name and affix the seal of the district to the bottom of each page of the list. One copy of this list shall be conspicuously posted in the office of the district in a place to which the public generally has access. If the office is located in a private home, the list shall be posted in some public building.

The governing board may, by resolution, determine that the duties of the secretary set forth in this section would best be performed by the county clerk, in which case the county clerk shall thereafter assume such duties.

SEC. 6. Section 23557.5 is added to the Elections Code, to read:

23557.5. A mailed-ballot election may not be consolidated with any other election unless the other election is also being conducted by all-mailed ballot and no mailed-ballot election may be held on one of the regular election days set forth in Section 2504.

CHAPTER 91

An act to add Section 17921.3 to the Health and Safety Code, relating to water closets.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 17921.3 is added to the Health and Safety Code, to read:

17921.3. After January 1, 1978, no new hotel, motel, apartment house, or dwelling shall be constructed which employs a tank-type water closet that uses more than an average of 3½ gallons of water per flush and which is not approved by the department as meeting adequate standards of safety and sanitation. Such requirement shall only be applicable to new additions to, or renovations of, existing hotels, motels, apartment houses, and dwellings if, compliance with the requirements of this section will not require substantial modification of the existing plumbing system. In satisfaction of the requirements of this section, the department shall permit the installation of tank-type water closets equipped with devices which are found by the department to meet applicable performance standards, that reduce average water consumption to no more than 3½ gallons per flush, in water closets having a tank capacity in excess of 3½ gallons. The department shall periodically publish a list of acceptable water closets and devices to reduce water consumption.

A manufacturer may sell water closets in this state which do not meet the foregoing requirements in a quantity sufficient to serve the need for water closet installation or replacement in structures other than new hotels, motels, apartment houses, or dwellings, or when

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authorized by the local enforcement agency.

Any local enforcement agency may allow the use of standard flush toilets, when, in the opinion of the local agency, the configuration of the building drainage system requires a greater quantity of water to adequately flush the system.

This section shall not apply in any local jurisdiction, area, or region of the state subject to waste discharge requirements imposed pursuant to Article 4 (commencing with Section 13260) of Chapter 4 of Division 7 of the Water Code when the local enforcement agency determines that the waste water discharges would exceed such waste discharge requirements if this section was made applicable.

The requirements prescribed by this section may be suspended for a specified period of time by a regulation adopted by the commission when the commission finds that there is an inadequate supply, including a choice of styles or colors for the consumer, of water closets specified in this section to meet the needs of new construction, or such water closets are not available at reasonable prices as compared to water closets not complying with the requirements of this section.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

CHAPTER 92

An act to amend Section 66412 of the Government Code, relating to surveys.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 66412 of the Government Code is amended to read:

66412. This division shall be inapplicable to:

(a) The financing or leasing of apartments, offices, stores or similar space within apartment buildings, industrial buildings, commercial buildings, mobilehome parks or trailer parks;

(b) Mineral, oil or gas leases;

(c) Land dedicated for cemetery purposes under the Health and Safety Code of the State of California.

(d) A lot line adjustment between two or more adjacent parcels, where the land taken from one parcel is added to an adjacent parcel, and where a greater number of parcels than originally existed is not

thereby created, provided the lot line adjustment is approved by resolution of the local agency.

CHAPTER 93

An act to add Section 35400.5 to the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 35400.5 is added to the Vehicle Code, to read:

35400.5. The provision of subdivision (a) of Section 35400 does not apply to a motortruck when equipped with a conveyor bed and used solely as a cotton module mover and which does not exceed 48 feet in length.

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

Unless this provision goes into immediate effect, it will not be available for the 1975–76 cotton harvesting season.

CHAPTER 94

An act to amend Section 830.4 of the Penal Code, relating to peace officers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 830.4 of the Penal Code, as amended by Chapter 609 of the Statutes of 1975, is amended to read:

830.4. (a) The following persons are peace officers while engaged in the performance of the duties of their respective employments:

(1) Security officers of the California State Police Division.

(2) The Sergeant at Arms of each house of the Legislature.

(3) Bailiffs of the Supreme Court and of the courts of appeal.

(4) Guards and messengers of the Treasurer's office.

(5) The Director of the Department of Navigation and Ocean Development and employees of such department designated by him pursuant to Section 71.2 of the Harbors and Navigation Code.

(6) Members of a state university or college police department appointed pursuant to Section 24651 of the Education Code.

(7) The hospital administrator of a state hospital under the jurisdiction of the Department of Mental Hygiene or, on or after July 1, 1973, the State Department of Health, and police officers designated by him pursuant to Section 4312 of the Welfare and Institutions Code.

(8) Any railroad or steamboat company policeman commissioned by the Governor pursuant to Section 8226 of the Public Utilities Code.

(9) Persons designated by a cemetery authority pursuant to Section 8325 of the Health and Safety Code.

(10) Harbor policemen regularly employed and paid as such by a county, city, or district, and the port warden and special officers of the Harbor Department of the City of Los Angeles. However, notwithstanding the provisions of Section 171c, 171d, or 12027, such persons are not peace officers for purposes of such sections except when designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, as peace officers for such purposes.

(11) (A) Special officers of the Department of Airports of the City of Los Angeles commissioned by the city police commission.

(B) Any such officer so commissioned on or before July 6, 1973, shall have completed the course of instruction required by Section 832 by September 1, 1973. Any officer so commissioned after July 6, 1973 shall have completed the course of instruction within 60 days after such commissioning. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(12) The chief of toll services, captains, lieutenants, and sergeants employed by the Department of Transportation on vehicular crossings pursuant to Chapter 13 (commencing with Section 23250) of Division 11 of the Vehicle Code.

(13) Persons employed as members of a security patrol of a school district pursuant to Section 15832 of the Education Code.

(14) Duly authorized federal employees, when they are engaged in enforcing applicable state or local laws on property owned or possessed by the United States government and with the written consent of the sheriff or the chief of police, respectively, in whose jurisdiction such property is situated.

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(15) Security guards of the County of Los Angeles.

(16) (A) Persons regularly employed and designated by the Board of Directors of the Monterey Peninsula Airport District as airport policemen.

(B) Any such person employed on or before July 6, 1973, shall have completed the course of instruction required by Section 832 by September 1, 1973. Any person so employed after July 6, 1973, shall have completed the course of instruction within 60 days after such employment. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(17) Any person regularly employed as an airport security officer by any airport operated by the City and County of San Francisco, Orange County, or the County of San Joaquin if he meets the following requirements:

(A) If employed by the City and County of San Francisco or Orange County on or before July 6, 1973, he shall have completed the course of instruction required by Section 832 by September 1, 1973, or if employed after July 6, 1973, he shall have completed such course of instruction within 60 days after such employment. If employed by the County of San Joaquin on or before September 25, 1973, he shall have completed the course of instruction required by Section 832 by December 1, 1973; or if employed after September 25, 1973, he shall have completed such course of instruction within 60 days after such employment. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(B) He shall be commissioned as a peace officer by the police commission or the board of supervisors of the city and county, or county, as the case may be, operating the airport.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(D) In the case of any person regularly employed as an airport security officer by any such airport located in the County of San Mateo, he shall either be deputized by, or have the written consent of, the Sheriff of San Mateo County.

(18) Housing authority patrol officers employed by the City of Los Angeles or by the housing authority of the County of Contra Costa.

(19) (A) Persons regularly employed and designated by the City of Fresno as airport security officers for the Fresno Air Terminal.

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(B) Before exercising the powers of a peace officer, all persons so employed shall have satisfactorily completed the course of instruction so required by Sections 832 and 832.1.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(b) The authority of any such peace officer extends to any place in the state as to a public offense committed or which there is probable cause to believe has been committed with respect to persons or property the protection of which is the immediate duty of such officer.

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

To insure the safety of airport passengers and personnel this act must be given immediate effect.

CHAPTER 95

An act to amend Section 5784.35 of the Public Resources Code, relating to recreation and park districts.

[Approved by Governor April 2, 1976. Filed with Secretary of State April 2, 1976.]

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

SECTION 1. Section 5784.35 of the Public Resources Code is amended to read:

5784.35. The district board may, by resolution, establish a district revolving fund not to exceed five hundred dollars ($500) for the purpose of disbursement and reimbursement of moneys, to be used in conducting or supervising special recreational activities. The revolving fund shall be subject to audit as provided in Section 26909 of the Government Code.

The resolution which establishes the district revolving fund shall designate all of the following:

(a) The officer who shall submit a written request to the county auditor for a specific amount.

(b) The bank which shall be the depositary of the funds.

(c) The officers of the district whose signatures are required to authorize disbursements from the fund.

(d) The purposes for which moneys deposited in the fund may be expended.

(e) The officer of the district who shall be responsible for keeping account of all receipts and disbursements from the fund.

CHAPTER 96

An act to amend Section 905.2 of, and to add Section 905.1 to the Government Code, relating to inverse condemnation.

[Became law without Governor's signature April 4, 1976.
Filed with Secretary of State April 5, 1976.]

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

SECTION 1. Section 905.1 is added to the Government Code, to read:

905.1. No claim is required to be filed to maintain an action against a public entity for taking of, or damage to, private property pursuant to Section 19 of Article I of the California Constitution.

However, the board shall, in accordance with the provisions of this part, process any claim which is filed against a public entity for the taking of, or damage to, private property pursuant to Section 19 of Article I of the California Constitution.

SEC. 2. Section 905.2 of the Government Code is amended to read:

905.2. There shall be presented in accordance with Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of this part all claims for money or damages against the state:

(a) For which no appropriation has been made or for which no fund is available but the settlement of which has been provided for by statute or constitutional provision.

(b) For which the appropriation made or fund designated is exhausted.

(c) For money or damages (1) on express contract, or (2) for an injury for which the state is liable.

(d) For which settlement is not otherwise provided for by statute or constitutional provision.

CHAPTER 97

An act to add Section 1602.5 to the Elections Code, relating to precinct boards.

[Approved by Governor April 6, 1976 Filed with
Secretary of State April 6, 1976]

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

SECTION 1. Section 1602.5 is added to the Elections Code, to read:

1602.5. Notwithstanding Section 1602, at all elections except

statewide primary and general elections and special elections to fill vacancies in Congress or the Legislature, and elections where ballots are counted manually at the polling place, the precinct board may consist of one inspector and two or more judges who shall be appointed pursuant to this chapter.

CHAPTER 98

An act to amend Section 12304 of, the Welfare and Institutions Code, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 6, 1976 Filed with Secretary of State April 6, 1976]

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

SECTION 1. Section 12304 of the Welfare and Institutions Code is amended to read:

12304. (a) Any aged, blind, or disabled individual eligible for assistance under this chapter or Chapter 4 (commencing with Section 12500) who is severely impaired and in need of in-home supportive services, as determined by the county welfare department, shall be eligible to receive services under this article, the total cost of which does not exceed four hundred fifty dollars ($450) per month, plus adjustments reflecting cost-of-living changes subsequent to January 1, 1974, as determined under Section 12201. Increases in the maximum amount payable under this section shall not be construed to mean automatic increases in the amounts payable under this article.

(b) A severely impaired individual eligible for services under this article who is capable of handling his own financial and legal affairs shall be given the option of hiring and paying his own provider of in-home supportive services. For this purpose such individual shall be entitled to receive a monthly cash payment in advance not to exceed the maximum amount provided in subdivision (a) of this section, which is in addition to his grant, if any. A severely impaired individual who is not capable of handling his own financial and legal affairs shall be entitled to receive such cash payment through his guardian, conservator or protective payee.

(c) In no event shall the maximum total cost for services and advance cash payment for one individual recipient under subdivisions (a) and (b) of this section exceed the maximum of four hundred fifty dollars ($450) per month, as adjusted pursuant to subdivision (a) of this section.

(d) The county welfare department shall inform in writing any individual who is potentially eligible for services under this section of his right to such services.

(e) For purposes of this section, a "severely impaired" recipient is one who requires in-home supportive care of at least 20 hours per week to carry out any or all of the following:

(1) Routine bodily functions, such as bowel and bladder care;

(2) Dressing;

(3) Preparation and consumption of food;

(4) Moving into and out of bed;

(5) Routine bed bath; or

(6) Ambulation;

(7) Or for any other function of daily living as determined by the director.

This determination of need must be supported by a medical report when requested and at the expense of the Department of Health.

(f) The county welfare department shall review the provisions of services under this section at least every six months.

(g) Funding for the in-home supportive services under this section shall qualify, where possible, for the maximum federal reimbursement. In the event that such services are determined to be ineligible for federal financial participation, or to the extent that federal funds prove inadequate, the state shall provide funding for services under this section.

SEC. 2. The Department of Health shall issue regulations implementing this act within 30 days after its effective date.

SEC. 3. There is hereby appropriated from the General Fund to the State Department of Health the sum of thirteen million two hundred fifty-five thousand dollars ($13,255,000) to be allocated to the counties to pay for in-home supportive services under Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code for the 1975–76 fiscal year in augmentation of any other appropriation for such purpose.

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

In order to have sufficient funds to continue in-home supportive services for the aged, blind, and disabled for the remainder of the 1975–76 fiscal year, it is necessary that this act go into immediate effect.

CHAPTER 99

An act to amend Section 17053.5 of the Revenue and Taxation Code, relating to the Personal Income Tax Law, to take effect immediately, tax levy.

[Approved by Governor April 6, 1976 Filed with Secretary of State April 7, 1976.]

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

SECTION 1. Section 17053.5 of the Revenue and Taxation Code is amended to read:

17053.5. (a) For taxable years beginning after December 31, 1975, in the case of qualified renters, there shall be allowed credits against the tax computed under this part, minus all other credits provided for in this part except the credit provided in Section 18551.1 (relating to withholding credit) and the credit provided in Section 17061 (relating to excess tax credit). The credit shall be in the amount of thirty-seven dollars ($37).

Except as provided in subdivision (b) of this section a husband and wife shall receive but one credit under this section. If the husband and wife file separate returns, the credit may be taken by either or equally divided between them, except as follows:

(A) If one spouse was a resident for the entire taxable year and the other spouse was a nonresident for part or all of the taxable year, the resident spouse shall be allowed the full credit.

(B) If both spouses were nonresidents for part of the taxable year, the credit shall be divided equally between them subject to the proration provided in subdivision (d) of this section.

(b) In the case of a husband and wife, if each spouse maintained a separate place of residence and resided in this state during the entire taxable year, each spouse will be allowed the full credit provided in subdivision (a).

(c) For purposes of this section, a "qualified renter" means an individual who on March 1 of the taxable year—

(1) Was a resident of this state, as defined in Section 17014, and

(2) On such date rented and occupied premises in this state which constitute his principal place of residence.

The term "qualified renter" does not include an individual who on March 1 of the taxable year rented and occupied premises which were exempt from property taxes, except that an individual, otherwise qualified, shall be deemed a qualified renter if he is required to pay property taxes on his possessory interest in a residence that is otherwise tax exempt during the taxable year.

The term "qualified renter" does not include an individual whose principal place of residence is with any other person who claimed such individual as a dependent for income tax purposes.

The term "qualified renter" does not include an individual who has been granted or whose spouse has been granted the homeowners' property tax exemption during the taxable year. This paragraph shall not apply in the case of an individual whose spouse has been granted the homeowners' property tax exemption if each spouse maintained a separate residence for the entire taxable year.

The term "qualified renter" does not include an individual or the spouse of an individual who, for the entire taxable year, received public assistance grants which took into account housing or shelter needs. If such grants were received for a part of the taxable year, the

credit provided by this section shall be claimed at the rate of one-twelfth for each full month such grants were not received during the income year.

(d) Any individual who is a nonresident for any portion of the taxable year shall claim the credits set forth in subdivision (a) at the rate of one-twelfth of such credits for each full month such individual resided within this state during the taxable year.

(e) Every person claiming the credit provided in this section shall, as part of such claim, and under penalty of perjury, furnish such information as the Franchise Tax Board prescribes on a form supplied by such board.

(f) The credit provided in this section shall be claimed on returns in such form as the Franchise Tax Board may from time to time prescribe, and shall be filed with the Franchise Tax Board on the date prescribed by Section 18432.

(g) For the purposes of this section, the term "premises" means a house or a dwelling unit used to provide living accommodations in a building or structure and the land incidental thereto, but does not include land only, except in the case where the dwelling unit is a mobilehome.

(h) In the case of qualified renters whose credits provided in this section exceed their tax liability computed under this part, minus all other credits provided for in this part except the credits provided in Section 18551.1 and Section 17061, the qualified renter shall be allowed a credit to the extent of his tax liability plus a refund in excess of that amount up to a combined credit and refund equal to the credit otherwise provided in this section.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect and shall be applied in the computation of taxes for taxable years beginning after December 31, 1975.

CHAPTER 100

An act relating to the Department of Justice, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 6, 1976 Filed with Secretary of State April 7, 1976.]

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

SECTION 1. The sum of one million five hundred ninety thousand five hundred sixty-eight dollars ($1,590,568) is hereby appropriated to the Department of Justice from the special account in the General Fund created by subdivision (e) of Section 11105 of the Penal Code, as added by Chapter 1222 of the Statutes of 1975, in

augmentation of Item 34 of the Budget Act of 1975 (Chapter 176, Statutes 1975), for expenditure pursuant to subdivision (e) of such section.

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

The Department of Justice partially supports its criminal identification operation by charging user fees. It will not be able to apply these fees to offset costs during the last half of the 1975–76 fiscal year unless they are appropriated to the Department of Justice. It is therefore necessary that this act go into immediate effect so that these fees will be appropriated to the Department of Justice as soon as possible.

CHAPTER 101

An act to amend Section 635 of the Public Resources Code, relating to forestry.

[Approved by Governor April 6, 1976. Filed with Secretary of State April 7, 1976.]

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

SECTION 1. Section 635 of the Public Resources Code is amended to read:

635. Each member of the board shall receive fifty dollars ($50) for each day during which he is engaged in the performance of his official duties; provided, that the compensation of each member, except the compensation of the chairman, shall not exceed in any one fiscal year the sum of four thousand dollars ($4,000). The chairman of the board may receive compensation of not to exceed five thousand dollars ($5,000) in any one fiscal year for the performance of his official duties. In addition to such compensation, each member shall be reimbursed for his necessary traveling and other expenses incurred in the performance of his official duties.

CHAPTER 102

An act to amend Sections 23143 and 23144 of the Government Code, relating to county boundaries.

[Approved by Governor April 6, 1976. Filed with Secretary of State April 7, 1976.]

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

SECTION 1. Section 23143 of the Government Code is amended to read:

23143. The boundaries of Santa Clara County are as follows:

Beginning at a point distant North 30° West 1,254 feet from the southwest corner of Sec. 22, T. 5 S., R. 2 W., M.D.B. & M., being the corner common to San Mateo, Santa Clara, and Alameda; thence southeasterly in a direct line to the southwest corner of Sec. 26, T. 5 S., R. 2 W., M.D.B. & M.; thence easterly in a direct line to the point where the center of the Coyote River is intersected by the West line of T. 5 S., R. 1 W., M.D.B. & M.; thence easterly along the center of the Coyote River to a point from which a sandstone monument set on the southwesterly side of the county road leading from San Jose to Oakland, or the state highway, as described in the fieldnotes of the survey of the boundary line between Alameda and Santa Clara, filed June 2, 1873, in the office of the clerk of Santa Clara County, bears North 57° 35′ East 4,340 feet distant, more or less; thence North 57° 35′ East 4,340 feet, more or less, to said Sandstone monument;

Thence northeasterly and easterly along the boundary line between Alameda and Santa Clara, as described in the fieldnotes of said survey, to the corner common to Alameda, San Joaquin, Stanislaus, and Santa Clara; thence southeasterly following the summit of the Coast Range to the corner common to San Benito, Merced, and Santa Clara, situated in Sec. 21, T. 11 S., R. 7 E., M.D.B. & M., as established by Charles T. Healy, Deputy Surveyor-General of California in September, 1858; thence westerly on the surveyed line between Santa Clara and San Benito to a point on the San Felipe Creek, near San Felipe Lake; thence around the eastern and northern side of said lake to the Pajaro River; thence down said river to the southwest corner of Santa Clara and the southeast corner of Santa Cruz; thence northwesterly, following the northeasterly boundary of Santa Cruz and continuing on the southeasterly boundary of San Mateo, to the head of the South fork of the San Francisquito Creek; thence down said creek in a general northerly and northeasterly direction along the common boundary between San Mateo County and Santa Clara County to a point where said boundary intersects the D 2 center line of the Bayshore Freeway at California State Highway Engineer's Station D 2 322+68.88 P.O.T. as said Engineer's Station and said common boundary is designated on "AS BUILT"—PLAN AND PROFILE OF STATE HIGHWAY IN SAN MATEO AND SANTA CLARA COUNTIES, BETWEEN 0.3 MILE SOUTH OF WILLOW ROAD AND 0.5 MILE SOUTH OF SAN MATEO-SANTA CLARA COUNTY LINE",—San Mateo, Santa Clara Route 68, Section D, A., accepted June 4th, 1958; said intersection being in the boundary of San Mateo County and Santa Clara County as said boundary was established by Ordinance No. 1619, changing the boundary of said counties, adopted October 15th, 1963, by the Board of Supervisors of the County of San Mateo; thence along said boundary as changed, northeasterly 105 feet to the

southwesterly terminus of that certain course "South 40° 47′ West" designated "Sta. 78+45± End of Work" as said course and said station are shown on "MAP AND GENERAL CONSTRUCTION PLANS OF ZONE NW-1 "NORTHWEST", PROJECT NO. 2 SAN FRANCISQUITO CREEK IMPROVEMENT FROM BAYSHORE HIGHWAY TO SAN FRANCISCO BAY, SANTA CLARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, SANTA CLARA COUNTY, CALIFORNIA. DATED SEPTEMBER 1958"—said plans on file in San Mateo County Engineer's Office in Case 3, H-1691; thence along the center line of said San Francisquito Creek Improvement, North 40° 47′ East 128.12 feet, more or less, to Station 77+16.88 of said center line; thence on a curve to the right, said curve having a radius of 305.00 feet and a central angle of 82° 30′ an arc distance of 439.17 feet; thence South 56° 43′ East 235.00 feet; thence South 61° 43′ East 204.00 feet; thence on a curve to the left said curve having a radius of 250.00 feet and a central angle of 49° 00′ an arc distance of 213.80 feet; thence North 69° 17′ East 404.14 feet; thence on a curve to the left said curve having a radius of 425.00 feet and a central angle of 96° 45′ an arc distance of 717.66 feet; thence North 27° 28′ West 367.46 feet; thence on a curve to the right said curve having a radius of 455.00 feet and a central angle of 28° 15′ an arc distance of 224.38 feet; thence North 0° 47′ East 295.00 feet; thence on a curve to the left said curve having a radius of 855.00 feet and a central angle of 13° 37′ an arc distance of 203.20 feet; thence North 12° 50′ West 1075.00 feet; thence on a curve to the right said curve having a radius of 300.00 feet and a central angle of 65° 35′ an arc distance of 343.39 feet; thence North 52° 45′ East 1250.00 feet; thence North 50° 20′ East 820.00 feet; thence on a curve to the right said curve having a radius of 300.00 feet and a central angle of 20° 00′ an arc distance of 104.72 feet; thence North 70° 20′ East 500 feet to Station 3±00, designated "Beginning of Project" on said San Francisquito Creek Improvement; thence continuing along last mentioned course North 70° 20′ East 300 feet, more or less, to a point in the corporate limits of the City of Menlo Park, as said limits were established by that certain annexation to the City of Menlo Park by Ordinance No. 318, adopted July 14th, 1959, by the City Council of said City; thence southeasterly, easterly and southerly along said corporate limits to the intersection thereof with said common County boundary as the same existed prior to Ordinance No. 1619; thence northeasterly along said boundary to the Point of Beginning.

SEC. 2. Section 23144 of the Government Code is amended to read:

23144. The boundaries of Santa Cruz County are as follows:

Beginning at the southwest corner of San Mateo, at a point in the Pacific Ocean south 45 degrees W., three nautical miles from the intersection of the east line of Rancho Punta del Año Nuevo with said ocean, forming the western corner; thence north, 45 degrees E., to said point of intersection; thence northerly, following the eastern

line of said rancho, to its intersection with the south line of T. 8 S., R. 4 W., M. D. B. & M.; thence east to the southeast corner of said township; thence north to the northeast corner of Sec. 25 of said township; thence east to the northeast corner of Sec. 26, T. 8 S., R. 3 W.; thence north to a 7½" x 7½" tapered sandstone monument on the common boundary between San Mateo County and Santa Clara County and at the most northern point on Santa Cruz County, from which a 5" x 5" concrete monument at the corners of Sections 25, 26, 35 and 36, T-7-S, R-3-W, M.D.B.& M. bears North 0°01'30" East 56.40 feet distant; running thence from said point of beginning due EAST 20 feet, more or less, to the western boundary of the State Highway Route 55-A as shown and delineated on plans approved by the District Engineer on February 27, 1928; thence along said western boundary southerly to Saratoga Gap; thence continuing along the western boundary of State Highway Route 55-A, as shown and delineated on plans approved by the District Engineer on November 28, 1932, to a point just south of Black Road; thence crossing said State Highway 55-A easterly to the eastern side of State Highway 55-A; thence southeasterly to the eastern side of a road, 40 feet in width, known as Summit Road, adopted as a public highway on March 5, 1889 and on file in Volume 6 at Page 191 Supervisors Records of Santa Cruz County, also on file in the Office of County Surveyor of Santa Cruz County as Viewers Report Road #82; thence along the easterly side of said Summit Road in a southerly and easterly direction to the western side of State Highway #17 (5-B); thence southerly along the western side of said State Highway #17 (5-B) to a station due WEST from the intersection of the northeastern side of Summit Road, as declared a public highway on March 5, 1899, with the southeastern boundary of said State Highway #17 (5-B); thence due EAST to the northeastern side of the aforesaid Summit Road; thence southeasterly along the northeastern side of the aforesaid Summit Road, to the western boundary of the lands conveyed by Carmella A. Peacock to the Loma Prieta Civil Defense Fire Team by deed recorded August 28, 1968 in Volume 1901 at Page 168, Official Records of Santa Cruz County; thence along the western boundary of said last named lands northerly to a point on the southerly line of Summit Road, as shown and delineated on Plan and Profile of Federal Aide Secondary Project No. S-616 (2) approved June 25, 1951; thence along the southerly and southwesterly side of said Summit Road, as shown and delineated as aforesaid, to a station on the southeastern side of the old Santa Cruz-Los Gatos Highway known as Old State Route 55; thence northeasterly along said Old State Route 55 to the northeastern side of the aforesaid Summit Road F.A.S. Project No. S-616 (2); thence along the northeastern side of Summit Road, as aforesaid, and continuing along the northeastern side of Summit Road as shown and delineated on the Plan and Profile for Federal Aid Secondary Project 81-A as approved February 27, 1939 as Santa Cruz-Santa Clara Feeder Highway, in a southeasterly

direction to the northwestern side of Loma Prieta Avenue, as said avenue was adopted as a public highway, 40 feet in width, in Viewers Report #122 and recorded April 7, 1891 in Book 7 Page 4 of Supervisors Records of Santa Cruz County (Note: This point will fall somewhere between Stations 2 and 3 as located by T. W. Wright, County Surveyor of Santa Cruz County, in his survey of November 1890 recorded in Viewer's Report #122); thence easterly and southerly along the northern and eastern side of said Loma Prieta Avenue to T. W. Wright's November 1890 Survey Station 90 which was Station 45 on what was known as the East Summit Road and adopted as a public highway 40 feet in width in Viewer's Report #122; thence southeasterly along the northeasterly side of said road to approximately Station 55 and a point on the northwestern boundary of the lands of Pellisi as shown and delineated on that record of survey map recorded August 26, 1964 in Book 42 of Maps Page 19, Records of Santa Cruz County and Book 184, Pages 30, 31 and 32 Records of Santa Clara County; thence leaving East Summit Road northeasterly along the northwestern boundary of the aforesaid lands of Pellisi to the most northern corner thereof; thence southeasterly along the northeastern boundary of the aforesaid lands of Pellisi and said line produced, and being the southwest boundary of lands of the San Jose Water Works to its intersection with the northwest boundary of Lot 1 of the Soquel Augmentation Rancho; thence southwesterly along the northwestern boundary of the aforesaid Lot 1 to the northeastern side of East Summit Road, a public highway 40.00 feet in width, near Sta 135 of T. W. Wright's survey of East Summit Road in November 1890; thence continuing southeasterly along the northeastern side of East Summit Road to a station north of T. W. Wright's 1890 Survey Station 248, the section corner common to Sections 1, 2, 11 and 12, T-10-S, R-1-E, M.D.B.& M. bears South 23°20' East 363 links distant from said Station 248 and this being the end of the public highway adopted in Viewer's Report #122; thence crossing the end of the public highway East Summit Road in a southerly direction to a point 30.00 feet southwest of the average center line of an existing fire control road; thence continuing southeasterly on a line 30.00 feet southwest of the average center line of an existing fire control road approximately 4 miles to the southwest side of a road, 100.00 feet in width, called Summit Road, Right of Way Map Job No. 39-11 on file in the Office of the County Surveyor of Santa Cruz County under File No. E 405-2.1,.2,.3,.4; thence along the southwesterly side of said Summit Road southeasterly to Mount Madonna Road; thence on the produced southwesterly side line of Summit Road across Mount Madonna to the boundary of the lands conveyed by M. E. Thomas (a single woman) to the County of Santa Clara by deed dated April 3, 1930 and recorded in Volume 179 at Page 138 Official Records of Santa Cruz County, said lands being generally known as Mount Madonna Park; thence in a counter clockwise direction along the boundary of said

lands conveyed by Thomas to County of Santa Clara, as aforesaid, until the southeastern boundary reaches the summit of the mountain; thence southerly along the summit of the mountain to the eastern side of Hecker Pass Road now known as State Highway 32-A; thence southerly along the eastern side of Hecker Pass Road 450 feet, more or less, to the northern side of a right of way, 24 feet wide, and known as Belle Vista Lane; thence easterly and southerly along the northern and eastern side of Bella Vista Lane to the northwestern boundary of lands conveyed by Ralph A. Robinson et ux to Frank L. Kellog, et ux, by deed recorded October 5, 1945 in Volume 506 at Page 412 Official Records of Santa Cruz County; thence northeasterly along the northwestern boundary of said lands of Kellog and the produced line thereof to the northeastern boundary of that certain strip of land 5.00 chains in width, described in the Decree Quieting Title, Case No. 36741 and recorded May 20, 1932 in Volume 225 at Page 358 Official Records of Santa Cruz County; thence continuing southerly along the easterly boundary of the last named strip of land, 5.00 chains in width, to the most southern end of said strip; thence southwesterly to the summit of the mountain; thence continuing southerly along the summit of the mountain along or through the lands of Fletcher, Chase, Marinovich, Kelly and Chamberlain Land Company to the southeasterly boundary of that certain 600 acres, plus or minus, parcel of land described on Pages 519, 520, and 521 in the deed from Joseph P. Chamberlain and Nan C. Chamberlain, his wife, to Chamberlain Land Company by deed dated November 8, 1956 and recorded in Book 3688, at Paged 519 to 533 Records of Santa Clara County; thence easterly along said last named boundary to the eastern boundary of the Salsipuedes Rancho; thence northerly along said rancho boundary to the intersection of the northern boundary of Section 34, T-11-S, R-3-E, M.D.B.& M.; thence southeasterly on a straight line to the western quarter corner of Section 35, T-11-S, R-3-E; thence southeasterly, on a straight line to the southern quarter corner of said Section 35 on the township line between T-11-S and T-12-S; thence easterly on said township line to the north quarter corner of Section 1, T-12-S, R-3-E; thence southerly, on a straight line to the quarter corner at the center of said Section 1; thence easterly on a straight line to the eastern quarter corner of the aforesaid Section 1 on the range line between R-3-E and R-4-E; thence southerly on said range line between R-3-E and R-4-E to the Pajaro River and the boundary of San Benito County; thence westerly along said river, on the northern line of San Benito and Monterey, to the Bay of Monterey, and three miles westerly into the ocean, forming the southwest corner; thence northwesterly along a course three nautical miles distant from the shore to the point of beginning.

CHAPTER 103

An act to amend Section 1463 of the Education Code, relating to school district ballot arguments.

[Approved by Governor April 6, 1976 Filed with Secretary of State April 7, 1976]

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

SECTION 1. Section 1463 of the Education Code is amended to read:

1463. If more than one argument for or more than one argument against any school measure is submitted to the person conducting the election within the time prescribed, the person conducting the election shall select one of the arguments in favor and one of the arguments against the measure for printing and distribution to the voters. In selecting the arguments the person conducting the election shall give preference and priority in the order named to the arguments of the following:

(a) The governing board of the district or member or members of the board authorized by the board.

(b) The individual voter or bona fide associations of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure.

(c) Bona fide associations of citizens.

(d) Individual voters.

If more than one argument is filed within the category having the highest preference and priority, the person conducting the election shall appoint a committee of three people familiar with the issues presented by the measure who favor the position being advocated in the arguments but who have not filed an argument themselves, who shall within 10 days meet and select by majority vote the argument which most fairly and completely states the position being advocated. The decision of the committee shall be final.

CHAPTER 104

An act to add Section 99231.2 to the Public Utilities Code, relating to public transportation.

[Approved by Governor April 9, 1976 Filed with Secretary of State April 9, 1976]

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

SECTION 1. Section 99231.2 is added to the Public Utilities Code, to read:

99231.2. Except in the County of Los Angeles, the transportation planning agency, notwithstanding Section 99231, may approve the claim filed for an unincorporated area by an operator which is serving that area pursuant to a contract with the county, even though the amount of the claim exceeds the apportionment for the area, if the amount is approved by the county.

CHAPTER 105

An act to add Sections 13988.1, 13988.2, and 13988.3 to the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor April 9, 1976. Filed with Secretary of State April 9, 1976.]

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

SECTION 1. Section 13988.1 is added to the Education Code, to read:

13988.1. A member or retirant may elect to receive credit for time served in certificated teaching positions in child care centers operated by a county superintendent of schools or a school district if he was employed in a position requiring membership in the system within one year prior to entering such service. In no event shall a member receive credit for such service if he receives, or is eligible to receive credit for such service from another retirement system.

SEC. 2. Section 13988.2 is added to the Education Code, to read:

13988.2. If a member is eligible for and elects to receive credit for service under the provisions of Section 13988.1, he shall pay prior to retirement or payment of a disability allowance, whichever occurs first, and in a manner provided by the board, all contributions with respect to such service. If the member is employed contributions shall be based upon the full compensation earnable at the time of election, and in the amount of:

(a) Eight percent of such compensation as employer and state cost of granting service credit and,

(b) Eight percent of such compensation as the member's cost of granting service credit.

If the member is not currently employed, contributions shall be based upon the full compensation earnable at the time of last employment in a position requiring membership in the system in the amounts of subdivisions (a) and (b) above plus regular interest from the end of the school year in which last employed to the date of election.

The employing school district may pay the amount required in subdivision (a).

SEC. 3. Section 13988.3 is added to the Education Code, to read:

13988.3. If a retirant elects to receive credit for service under the provisions of Section 13988.1, he shall pay to the system the present value as of his age at the date of election for such service based upon his final compensation and retirement factor at retirement. Such payment to the system shall be in a manner prescribed by the board and the system shall recalculate the retirant's allowance for prospective payment only. The new allowance shall constitute the base for application of the improvement factor under Section 13838.5.

CHAPTER 106

An act to amend Section 12714 of the Business and Professions Code, relating to weights and measures, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 9, 1976. Filed with Secretary of State April 9, 1976]

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

SECTION 1. Section 12714 of the Business and Professions Code is amended to read:

12714. Forms to be used by public weighmasters shall be submitted to the department which, after approval, shall be known as "state certificate of weights and measures." The proposed form shall provide for the following information as applicable to the operation of the weighmaster:

(a) The kind of product or article and such other information as may be necessary to identify the product or distinguish it from a like kind.

(b) The number of units of the product or article.

(c) The date on which the product or article was weighed, measured or counted.

(d) The owner, or agent and consignee.

(e) Either the gross weight of the product and the vehicle or container thereof, or the tare weight of the unladen vehicle or container, or both such gross and tare weights when they are used in determining the true net weight; or the true net weight, measure, or count of the product.

(f) The tare weights of boxes, bins, pallets, or other containers.

(g) The vessel, railroad or other means by which the product was received. If motor vehicle carrier is used, the license numbers of any vehicle or combination of vehicles shall be stated on the certificate.

(h) Any trade or other mark thereon.

(i) The name or identification of the city, town, or place where such product or article was weighed, measured, or counted.

(j) The complete signature of the weighmaster or deputy weighmaster. In an automatic system, the signature may be defined by regulation.

(k) The consecutive number thereof.

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

In order to provide for the immediate utilization of automatic weighing systems, it is necessary that this act take effect immediately.

CHAPTER 107

An act to amend Section 18550 of the Health and Safety Code, relating to mobilehomes.

[Approved by Governor April 9, 1976. Filed with Secretary of State April 9, 1976.]

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

SECTION 1. Section 18550 of the Health and Safety Code is amended to read:

18550. It shall be unlawful for any person to use or cause, or permit to be used for occupancy, any of the following mobilehomes, wherever such mobilehomes are located:

(a) Any mobilehome from which any axle or wheel hub has been removed therefrom except for the purpose of making temporary repairs or placing it in dead storage.

(b) Any mobilehome supplied with fuel, gas, water, electricity, or sewage connections, unless such connections and installations conform to regulations of the commission.

(c) Any mobilehome which is permanently attached with underpinning or foundation to the ground.

(d) Any mobilehome which does not conform to the registration requirements of the Vehicle Code. A mobilehome which may be moved under permit as provided for in Sections 35780 and 35790 of the Vehicle Code shall be deemed to conform to the requirements of such code within the meaning of this section.

(e) Any mobilehome in an unsanitary condition.

(f) Any mobilehome which is structurally unsound and does not protect its occupants against the elements.

(g) Any mobilehome which does not have the space directly beneath it kept clean and free from refuse, rubbish, or other impediments. Such space shall not be used for storage purposes. It may be enclosed. Such enclosures, however, shall not unreasonably impede the movement of the mobilehome, shall be openable for

inspection, and cross ventilation on at least three sides shall be provided with no less than two square feet of opening for each 25 linear feet.

(h) Any mobilehome which does not have a current annual vehicle license.

CHAPTER 108

An act to amend Section 74691 of the Government Code, relating to courts.

[Approved by Governor April 9, 1976. Filed with Secretary of State April 9, 1976.]

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

SECTION 1. Section 74691 of the Government Code is amended to read:

74691. There shall be four judges.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of local government entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 109

An act to amend Section 1697 of, to amend the heading of Chapter 3 (commencing with Section 1697) of Title 5 of Part 2 of Division 3 of, to add Section 1698 to, and to repeal Section 1698 of, the Civil Code, relating to modification of contracts.

[Approved by Governor April 9, 1976. Filed with Secretary of State April 9, 1976.]

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

SECTION 1. The heading of Chapter 3 (commencing with Section 1697) of Title 5 of Part 2 of Division 3 of the Civil Code is amended to read:

CHAPTER 3. MODIFICATION AND CANCELLATION

SEC. 2. Section 1697 of the Civil Code is amended to read:

1697. A contract not in writing may be modified in any respect by consent of the parties, in writing, without a new consideration,

and is extinguished thereby to the extent of the modification.

SEC. 3. Section 1698 of the Civil Code is repealed.

SEC. 4. Section 1698 is added to the Civil Code, to read:

1698. (a) A contract in writing may be modified by a contract in writing.

(b) A contract in writing may be modified by an oral agreement to the extent that the oral agreement is executed by the parties.

(c) Unless the contract otherwise expressly provides, a contract in writing may be modified by an oral agreement supported by new consideration. The statute of frauds (Section 1624) is required to be satisfied if the contract as modified is within its provisions.

(d) Nothing in this section precludes in an appropriate case the application of rules of law concerning estoppel, oral novation and substitution of a new agreement, rescission of a written contract by an oral agreement, waiver of a provision of a written contract, or oral independent collateral contracts.

SEC. 5. This act does not apply to any contract made prior to the effective date of this act. Notwithstanding the enactment of this act, Sections 1697 and 1698 of the Civil Code, as those sections existed prior to the effective date of this act, and the applicable case law, shall continue to apply to contracts made prior to the effective date of this act.

CHAPTER 110

An act to amend Section 5361 of the Welfare and Institutions Code, relating to conservatorship, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 9, 1976. Filed with Secretary of State April 9, 1976]

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

SECTION 1. Section 5361 of the Welfare and Institutions Code is amended to read:

5361. Conservatorship initiated pursuant to this chapter shall automatically terminate one year after the appointment of the conservator by the superior court. The period of service of a temporary conservator shall not be included in the one-year period. Where the conservator has been appointed as conservator of the estate, the conservator shall, for a reasonable time, continue to have such power and authority over the estate as the superior court, on petition by the conservator, may deem necessary for (1) the collection of assets or income which accrued during the period of conservatorship, but were uncollected before the date of termination, (2) the payment of expenses which accrued during period of conservatorship and of which the conservator was notified

prior to termination, but were unpaid before the date of termination, and (3) the completion of sales of real property where the only act remaining at the date of termination is the actual transfer of title. If upon the termination of an initial or a succeeding period of conservatorship the conservator determines that conservatorship is still required, he may petition the superior court for his reappointment as conservator for a succeeding one-year period. The petition must include the opinion of two physicians that the conservatee is still gravely disabled as a result of mental disorder or impairment by chronic alcoholism. In the event that the conservator is unable to obtain the opinion of two physicians, he shall request that the court appoint them.

Any facility in which a conservatee is placed must release the conservatee at his request when the conservatorship terminates. If the conservator has filed a petition for reappointment and transmits a copy thereof to the facility at least 30 days before the automatic termination date, the facility may detain the conservatee after the end of the termination date only if the proceedings for renewal of conservatorship have not been completed and the court orders the conservatee to be held until the proceedings have been completed.

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

In order to avoid a costly procedure of duplication whereby counties will require dual Lanterman-Petris-Short as well as probate filings in conservatorships due to the limited authority of conservators to pay debts or collect assets after termination of conservatorships, it is necessary that this act take immediate effect.

CHAPTER 111

An act to add Section 273.5 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 9, 1976 Filed with Secretary of State April 9, 1976]

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

SECTION 1. Section 273.5 is added to the Revenue and Taxation Code, to read:

273.5. (a) If a claimant for the veterans' exemption for the 1976–77 fiscal year or any year thereafter fails to file the required affidavit with the assessor by 5 p.m. on April 15 of the calendar year in which the fiscal year begins, but files such claim on or before the following December 1, an exemption of the lesser of eight hundred

dollars ($800) or 80 percent of the assessed value of the property shall be granted by the assessor.

(b) On such claims filed pursuant to subdivision (a) after November 15, this exemption may be applied to the second installment, and if applied to the second installment, the first installment will still become delinquent on December 10, and a 6-percent penalty will attach if the tax amount due is not paid.

If this exemption is applied to the second installment and if both installments are paid on or before December 10, or if the reduction in taxes from this exemption exceeds the amount of taxes due on the second installment, a refund shall be made to the taxpayer upon a claim submitted by the taxpayer to the auditor.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden on local government.

SEC. 3. Notwithstanding Section 2229 of the Revenue and Taxation Code, there shall be no reimbursement nor shall there be any appropriation made pursuant to Section 1 of this act because this act does not further exempt or classify property for taxation, but merely removes a procedural bar to claiming an existing exemption.

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

Some veterans whose applications for the homeowners' exemption have been denied because they have received public assistance, are otherwise eligible for the veterans' exemption, but are unable to apply for the exemption because the application period has closed. In order to provide a late filing period for those veterans for the 1976–77 fiscal year property taxes, and thereby fulfill the purpose of subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution, it is necessary that this act take effect immediately.

CHAPTER 112

An act to amend Sections 8892, 8893, and 8899.5 of the Government Code, relating to the Seismic Safety Commission.

[Approved by Governor April 13, 1976. Filed with Secretary of State April 14, 1976.]

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

SECTION 1. Section 8892 of the Government Code is amended to read:

8892. (a) The commission shall consist of 15 members appointed by the Governor and confirmed by the Senate, one member appointed by the Senate Rules Committee, and one member appointed by the Speaker of the Assembly. The Seismic Safety Commission shall elect annually from its membership its own chairman and vice chairman and may replace them with other commissioners by majority vote. Commission members shall be residents of California.

(b) A quorum shall consist of nine members if there are no vacancies, or else a majority of the members of the commission at the time.

(c) All members of the commission shall represent the general public interest.

SEC. 2. Section 8893 of the Government Code is amended to read:

8893. After the initial appointments, the membership of the Seismic Safety Commission shall be appointed by the Governor and confirmed by the Senate from lists of nominees submitted by organizations as listed below:

(a) Four members appointed from established organizations in the fields of architecture and planning, fire protection, public utilities, and electrical engineering and mechanical engineering;

(b) Four members appointed from established organizations in the fields of structural engineering, soils engineering, geology, and seismology;

(c) Four members appointed from nominees submitted by the League of California Cities and the County Supervisors Association of California;

(d) Three members appointed from established organizations in the fields of insurance, social service, and emergency services;

(e) One member shall be appointed from the Senate by the Senate Rules Committee, and one member shall be appointed from the Assembly by the Speaker of the Assembly. Each of the members appointed pursuant to this subdivision may designate an alternate who shall be counted toward a quorum, who may vote, and who may receive the expenses specified in Section 8894.

SEC. 3. Section 8899.5 of the Government Code is amended to read:

8899.5. The provisions of this chapter shall remain in effect only until January 1, 1981 and as of such date are repealed, unless a later enacted statute, which is chaptered before January 1, 1981, deletes or extends such date.

CHAPTER 113

An act to amend Sections 3712 and 4673 of, to add Sections 4672.1, 4673.1, and 4675 to, to repeal Section 4711.5 of, and to repeal and add Sections 4674 and 4711 of, the Revenue and Taxation Code, and to amend and renumber Section 6509.1 of the Streets and Highways Code, relating to taxation.

[Approved by Governor April 21, 1976. Filed with Secretary of State April 21, 1976.]

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

SECTION 1. Section 3712 of the Revenue and Taxation Code is amended to read:

3712. The deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, except:

(a) Any lien for installments of special assessments, which installments will become payable upon the secured roll after the time of the sale.

(b) The lien for taxes or assessments or other rights of any taxing agency which does not consent to the sale under this chapter.

(c) Liens for special assessments levied upon the property conveyed which were, at the time of the sale under this chapter, not included in the amount necessary to redeem the property from the sale to the state, and, where a taxing agency which collects its own taxes has consented to the sale under this chapter, not included in the amount required to redeem from sale to such taxing agency.

(d) Easements constituting servitudes upon or burdens to the property; water rights, the record title to which is held separately from the title to the property; and restrictions of record.

(e) Unaccepted, recorded, irrevocable offers of dedication of the property to the public or a public entity for a public purpose, and recorded options of any taxing agency to purchase the property or any interest therein for a public purpose.

(f) Unpaid assessments under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) which are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8 of this division.

SEC. 1.5. Section 4672.1 is added to the Revenue and Taxation Code, to read:

4672.1. There shall be distributed to the county general fund to reimburse the county for the cost of conducting the sale one hundred fifty dollars ($150) for all or any portion of each separately valued parcel of real property deeded to the state and sold to private parties or to a taxing agency.

If property is deeded to a taxing agency under a pro rata division agreement it shall not be deemed "sold" until resold by the taxing

agency to a private party.

One hundred fifty dollars ($150) for property sold shall be paid from the total amount to be distributed, after satisfaction of the amount specified in Section 4672. If such amount is insufficient, the one hundred fifty dollars ($150) shall be reduced accordingly.

SEC. 2. Section 4673 of the Revenue and Taxation Code is amended to read:

4673. Amounts to reimburse the county for the cost of advertising sales of tax-deeded property shall be distributed to the county general fund as provided in Section 3719.

SEC. 3. Section 4673.1 is added to the Revenue and Taxation Code, to read:

4673.1. After satisfaction of the amount specified in Sections 4672, 4672.1 and 4673, the proceeds shall be distributed as follows:

(a) An amount of the proceeds up to but no greater than the amount required, at the time of sale by the state, to redeem the property from the sale to the state and the sale to any taxing agency entitled to share in the proceeds shall be distributed as follows:

(1) A pro rata share shall be distributed to each assessment fund in an amount bearing the same proportion as the assessment due each fund bears to the total amount of taxes and assessments necessary to redeem the property at the time of sale by the state.

(2) The remaining balance of the proceeds to be distributed under this section shall be distributed to each tax fund in an amount bearing the same proportion to the balance remaining as the tax rate for each fund bears to the total tax rate applicable to the property for the fiscal year preceding that in which the property was sold by the state.

(b) After satisfaction of the amounts specified in subdivision (a), an amount of the proceeds necessary to satisfy current taxes and assessments and applicable penalties and costs thereon shall be distributed as provided in Chapter 1a (commencing with Section 4653) of this part. Current taxes and assessments referred to herein include taxes and assessments which would have been levied on the property if the property were not tax deeded to the state or to any other taxing agency.

SEC. 4. Section 4674 of the Revenue and Taxation Code is repealed.

SEC. 5. Section 4674 is added to the Revenue and Taxation Code, to read:

4674. Any excess in the proceeds deposited in the delinquent tax sale trust fund remaining after satisfaction of the amounts distributed under Sections 4672, 4672.1, 4673, and 4673.1 shall be retained in such fund on account of, and may be claimed by parties of interest in the property as provided in, Section 4675. At the expiration of one year following the execution of the tax deed to the purchaser, any excess proceeds not claimed under Section 4675 shall be distributed as provided in paragraph (2) of subdivision (a) of Section 4673.1.

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SEC. 6. Section 4675 is added to the Revenue and Taxation Code, to read:

4675. Any party of interest in the property at the time of sale by the state may file with the county a claim for the excess proceeds at any time prior to the expiration of one year following the execution of the tax collector's deed to the purchaser.

The claims shall contain any information and proof deemed necessary by the board of supervisors to establish the claimant's rights to all or any portion of the excess proceeds.

No sooner than one year following the execution of the tax collector's deed to the purchaser, and if the excess proceeds have been claimed by any party of interest as provided herein, such excess proceeds shall be distributed on order of the board of supervisors to the parties of interest in the order of priority set forth in subdivisions (a) and (b). For the purposes of this article, parties of interest and their order of priority are:

(a) First, lienholders of record prior to the property becoming tax deeded to the state or to any other taxing agency, in the order of their priority, as to liens that were extinguished by the issuance of the deed to the state; and

(b) Then, any person who would be established with title to all or any portion of the property sold by the state by redemption of such property immediately prior to the sale by the state.

In the event more than one party of interest, as defined in subdivisions (a) and (b) of this section, file claims for the excess proceeds as provided herein, the board of supervisors shall give all claimants opportunity for a hearing to establish the priority and extent of their claim following a period of at least 30 days after written notice has been given to each claimant. Any action or proceeding to review the decision of the board of supervisors shall be commenced within 90 days after the date of such decision of the board of supervisors.

SEC. 7. Section 4711 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 4711 is added to the Revenue and Taxation Code, to read:

4711. The proceeds of the sale by the state of tax-deeded property deposited in the delinquent tax sale trust fund shall be distributed as provided in Chapter 1.3 (commencing with Section 4671) of this part; provided, however, that the taxes and assessments which constitute the amounts required to redeem the property from the sale to the state shall, for the purposes of this chapter, be distributed as follows:

(a) The amount available for distribution shall be prorated on the basis of such taxes and assessments between apportioned levies and unapportioned levies.

(b) The pro rata share for unapportioned levies shall be prorated between the amount of tax levies and the amount of assessment

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levies. The pro rata share for unapportioned tax levies shall be distributed to funds on the basis prescribed in Chapter 1.3 (commencing with Section 4671) of this part. The pro rata share for unapportioned assessment levies shall be distributed to the assessment funds on the basis prescribed in subdivision (a) of Section 4710.

(c) The pro rata share for apportioned levies shall be distributed to the tax losses reserve fund.

The amount canceled by the sale shall be entered on the secured taxes receivable accounts. Any canceled amounts which were apportioned at the time of levy in the manner authorized by this chapter shall be entered on the apportioned tax resources accounts, and this cancellation shall be borne by the tax losses reserve fund.

SEC. 9. Section 4711.5 of the Revenue and Taxation Code is repealed.

SEC. 10. Section 6509.1 of the Streets and Highways Code, as added by Chapter 1046 of the Statutes of 1975, is amended and renumbered to read:

6501.1. If there is surplus money remaining from the sale after payment of the amount due on the bond, plus interest, penalties, and costs of sale, the treasurer shall hold the surplus money in trust during the period of redemption or until the amount due is paid by a redemptioner. In the event of redemption, the treasurer shall pay to the holder of the certificate of sale the amount of principal, interest, and penalties due on the bond, costs paid by the holder, and any surplus money held in trust. In the event that there is no redemption of the bond during the redemption period, the treasurer shall pay the surplus money in the following order:

(a) To the lienholders of record prior to the issuance of the treasurer's deed, in the order of their priority;

(b) To the person who was the owner of record prior to the issuance of the treasurer's deed, if he can be found within a three-year period following such sale, or, if such person cannot be found in such period, to each taxing agency in the same proportion that each agency's taxes bear to the total taxes.

SEC. 11. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

CHAPTER 114

An act to validate the organization, boundaries, acts, proceedings and bonds of public bodies, as herein defined, and to provide limitations of time within which actions may be commenced in connection therewith, and declaring the urgency thereof, to take

effect immediately.

[Approved by Governor April 21, 1976. Filed with Secretary of State April 21, 1976.]

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

SECTION 1. The following terms shall have the following meanings herein:

(a) The term "public body" means counties, cities and counties, cities, and the following districts, authorities, agencies, boards, commissions and other entities:

Agencies, boards, commissions or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500), Division 7, Title 1 of the Government Code.
Air pollution control districts.
Airport districts.
Assessment districts.
Bridge and highway districts.
California water district distribution districts.
California water district improvement districts.
California water districts.
Cemetery districts.
Citrus pest control districts.
City general improvement district improvement districts.
City general improvement districts.
City maintenance districts.
Community college districts.
Community facilities districts.
Community service districts.
Conservancy districts.
County boards of education.
County drainage districts.
County fire protection districts.
County flood control and water districts.
County maintenance districts.
County power pumping districts.
County sanitation districts.
County sanitation district improvement districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.
County water district improvement districts.
County water districts.
County waterworks districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100),

Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Harbor districts.
Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural protection districts.
Horticultural development districts.
Housing authorities.
Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.
Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local health districts.
Local hospital districts.
Metropolitan water districts.
Mosquito abatement districts.
Municipal facilities districts.
Municipal improvement assessment districts.
Municipal improvement district improvement districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.
Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.

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Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park and parkway districts.
Redevelopment agencies.
Regional park districts.
Regional planning districts.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road districts.
Sanitary agencies.
Sanitary districts.
Sanitary districts annexed areas.
School districts of any kind or class.
Separation of grade districts.
Sewer maintenance districts.
Special transit service districts.
Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of flood control districts.
Zones of flood control and water conservation districts.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any

public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations of such a public body regularly formed pursuant to law.

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 4. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger or dissolution of such public bodies.

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid and binding obligations of the public body. All bonds of any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued by ordinance, resolution, order or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body.

All bonds of any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid and binding obligations of the public body.

SEC. 6. (a) The foregoing provisions of this act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) The foregoing provisions of this act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) The foregoing provisions of this act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(d) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States.

SEC. 7. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization or incorporation of any public body, or for any annexation thereto, exclusion therefrom or other change of boundaries thereof, or for the consolidation, merger or dissolution of any public bodies, or for the authorization, issuance, sale or exchange of bonds thereof upon any ground involving an alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of said matters shall be held to be valid and in every respect legal and incontestable. This section shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 8. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat,

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required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

SEC. 9. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date.

SEC. 10. This act may be cited as the First Validating Act of 1976.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

To validate the organization boundaries, acts, proceedings and bonds of public bodies as soon as possible.

CHAPTER 115

An act to amend Sections 6830, 6831, and 6833 of the Elections Code, relating to elections and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 23, 1976 Filed with Secretary of State April 23, 1976]

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

SECTION 1. Section 6830 of the Elections Code is amended to read:

6830. Each candidate or group of candidates shall file a nomination paper which shall contain:

(a) The name and residence address of each candidate, including the name of the county in which he resides.

(b) A designation of the office for which the candidate or group seeks nomination.

(c) A statement that the candidate is not, and was not at any time during the one year preceding the immediately preceding primary election at which a candidate was nominated for the office mentioned in the nomination paper, registered as affiliated with a political party qualified under the provisions of Section 6430. The statement required by this subdivision shall be omitted when no primary election was held to nominate candidates for the office to which the independent nomination paper is directed.

SEC. 2. Section 6831 of the Elections Code is amended to read:

6831. Nomination papers for a statewide office for which the candidate is to be nominated shall be signed by voters of the state equal to not less in number than 1 percent of the entire number of registered voters of the state at the time of the close of registration prior to the preceding general election. Nomination papers for an

office, other than a statewide office, shall be signed by the voters of the area for which the candidate is to be nominated, not less in number than 3 percent of the entire number of registered voters in the area at the time of the close of registration prior to the preceding general election. Nomination papers for Representative in Congress, State Senator or Assemblyman, to be voted for at a special election to fill a vacancy, shall be signed by voters in the district not less in number than 500 or 1 percent of the entire vote cast in the area at the preceding general election, whichever is less, nor more than 1,000.

SEC. 3. Section 6833 of the Elections Code is amended to read:

6833. Nomination papers required to be filed with the Secretary of State or with the county clerk shall be filed not more than 115 nor less than 54 days before the day of the election, but shall be prepared, circulated, signed, verified and left with the county clerk for examination, or for examination and filing, no earlier than 120 days before the election and no later than 5 p.m. 60 days before the election. If the total number of signatures submitted to a county clerk for an office entirely within that county does not equal the number of signatures needed to qualify the candidate, the county clerk shall declare the petition void and is not required to verify the signatures. If the district falls within two or more counties, the county clerk shall within two working days report in writing to the Secretary of State the total number of signatures filed. If the Secretary of State finds that the total number of signatures filed in the district or state is less than the minimum number required to qualify the candidate he shall within one working day notify in writing the counties involved that they need not verify the signatures.

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

In order that the provisions of this act may go into effect for purposes of the November 1976 general election, it is necessary that this act take effect immediately.

CHAPTER 116

An act to amend Section 21222.6 of the Government Code, relating to Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 23, 1976. Filed with Secretary of State April 23, 1976]

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

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SECTION 1. Section 21222.6 of the Government Code is amended to read:

21222.6. In addition to the increase of allowance authorized by and granted pursuant to the provisions of Section 21222 and notwithstanding the limitation in subdivision (b) of Section 21224, any monthly allowance computed under or limited by a retirement formula applicable to local miscellaneous members who retired prior to July 1, 1971, or to local miscellaneous members who so retired and then were reinstated from retirement and retired again after July 1, 1971, and whose allowance is based upon such a formula and paid with respect to a local miscellaneous member whose retirement or whose initial retirement or death before retirement occurred prior to July 1, 1971, shall be increased by 15 percent. Such percentage shall be applied to the allowance payable on the date this section becomes applicable to the contracting agency and the allowance as so increased shall be paid for time on and after that date and until the first day of April immediately following the date of such application. The base allowance shall be increased by the same percentage for annual adjustments beginning with the adjustment effective for time commencing with that annual adjustment.

This section shall apply only to such portion of the allowance as based on service in employment with the employer electing to be subject to this section.

This section shall not apply to any contracting agency nor to the employees of any contracting agency unless and until the agency elects to be subject to the provisions of this section by amendment to its contract made in the manner prescribed for approval of contracts, except that an election among the employees is not required, or, in the case of contracts made after January 1, 1976, by express provision in such contract making the contracting agency subject to the provisions of this section.

SEC. 2. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because, as yet, no agencies which would be affected by the amendments made by this act have elected to be subject to Chapter 577 of the Statutes of 1975. Therefore, there are no duties, obligations, or responsibilities imposed on local governments by this act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Section 21222.6 was added to the Government Code by Chapter 577 of the Statutes of 1975, became effective January 1, 1976, and permits retirement benefits of certain local miscellaneous members of the Public Employees' Retirement System to be increased by 15 percent, if the benefit is elected by employing contracting agencies. However, another limit on such adjustment will prevent a full

realization of this improvement. This bill would remove that limit. Unless the limit is removed before agencies elect to be subject to the provisions of Chapter 577 its benefits will not be fully effective for their employees. Therefore, this act must take effect immediately.

CHAPTER 117

An act to amend Sections 99207 and 99231 of, and to add Section 99289 to, the Public Utilities Code, relating to public transportation.

[Approved by Governor April 23, 1976. Filed with Secretary of State April 23, 1976.]

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

SECTION 1. Section 99207 of the Public Utilities Code is amended to read:

99207. (a) "Included municipal operator" means a city or county which is included, in whole or in part, within a transit district or which has been extended the authority to join a transit district by that district's enabling legislation, and in which city or county public transportation services have continuously been provided, since at least January 1, 1971, by the city or county, by a nonprofit corporation or other legal entity wholly owned by the city or county, or by the University of California.

(b) "Included municipal operator" also means the City and County of San Francisco and the Counties of Alameda and Contra Costa with respect to any portion of the unincorporated area thereof, and any city in those counties, which is outside the area of the Alameda-Contra Costa Transit District and which is not receiving adequate local public transportation services, as determined by the Metropolitan Transportation Commission, from any of the transit districts which includes the county or city, taking into consideration, among other things, the amount of such services needed in the county or city, the cost to provide such services, and the amount of such services provided in other areas of the transit district as compared to their needs.

SEC. 2. Section 99231 of the Public Utilities Code, as amended by Chapter 1188 of the Statutes of 1975, is amended to read:

99231. All operators and city or county governments with responsibility for providing municipal services to a given area collectively may file claims for only such moneys as represents that area's apportionment.

The term "apportionment" has reference to that proportion of the total annual revenue anticipated to be received in the fund that the population of the area bears to the total population of the county.

The term "area" means:

(a) With reference to a transit district, the entire area stated in its

enabling legislation or franchise, excluding cities therein which have retained the right to join the district at a later time.

(b) With reference to a transit development board, the entire area stated in its enabling legislation, including the municipalities therein which operated bus systems prior to the creation of the board and subsequently conveyed such systems to the board.

(c) With reference to a county government, the unincorporated area of the county.

(d) With reference to a city government, the corporate area of the city.

(e) With reference to the City and County of San Francisco and the Counties of Alameda and Contra Costa, the unincorporated area thereof (and with reference to a city in those counties, the corporate area of the city) which is outside the area of the Alameda-Contra Costa Transit District and which is not receiving adequate local public transportation services, as determined by the Metropolitan Transportation Commission pursuant to subdivision (b) of Section 99207.

(f) Where a transit district, a transit development board, or a county or city, provides public transportation services beyond its boundaries, its area, for purposes of this section, shall also include:

(1) All of that area within one-half mile of any route which extends beyond its boundaries.

(2) All of the corporate area of a city to which it provides such services pursuant to contract or prior express authority of the secretary.

The transportation planning agency may rely, in its determination of populations, on estimates which are used by the State Controller for distributing money to cities under Section 2107 of the Streets and Highways Code and to counties under Section 11005 of the Revenue and Taxation Code, and may contract with the Department of Finance or other appropriate state agency for an annual determination of such population estimates as may be necessary.

SEC. 3. Section 99289 is added to the Public Utilities Code, to read:

99289. (a) Funds received by a city or county designated as an included municipal operator pursuant to subdivision (b) of Section 99207 because it is not receiving adequate local public transportation service from any transit districts in which it is located may only be used by such a city or county to contract with an operator for public transportation services.

(b) If the Metropolitan Transportation Commission determines that it is not feasible on the basis of, among other things, cost to contract with an operator pursuant to subdivision (a), the city or county may use the funds for either or both of the following:

(1) The development and operation of a public transportation system.

(2) Public transportation service received under contract from an

operator providing such service since at least July 1, 1972, or from a common carrier, as defined in Section 211, which is under the jurisdiction and control of the Public Utilities Commission and which is engaged in the transportation of persons, as defined in Section 208.

(c) The system or the service under the contract, as the case may be, shall be consistent, as determined by the Metropolitan Transportation Commission, with the regional transportation plan.

CHAPTER 118

An act to add Section 2.5 to the Los Angeles County Flood Control Act (Chapter 755 of the Statutes of 1915), relating to the Los Angeles County Flood Control District.

[Approved by Governor April 23, 1976 Filed with Secretary of State April 23, 1976.]

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

SECTION 1. Section 2.5 is added to the Los Angeles County Flood Control Act (Chapter 755 of the Statutes of 1915), to read:

Sec. 2.5. The district also has the power to acquire, where the district has obtained surface easement rights in land, the fee ownership of the land in any case where the board of supervisors finds that such acquisition will allow either more efficient use or compatible uses of such land.

CHAPTER 119

An act to amend Section 21352 of the Education Code, relating to school district funds.

[Approved by Governor April 23, 1976. Filed with Secretary of State April 23, 1976.]

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

SECTION 1. Section 21352 of the Education Code is amended to read:

21352. Amounts expended from the revolving fund are restored thereto through payments into the revolving fund by warrants drawn on the various funds of the districts, including building funds, for shipments from stores for the use of the districts. The warrants shall be made payable to the "revolving fund of_____

(Here insert

name or names of the school district or school districts establishing the _____."

fund.)

CHAPTER 120

An act relating to the Department of Justice, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 23, 1976 Filed with Secretary of State April 23, 1976.]

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

SECTION 1. Notwithstanding Section 12526 of the Government Code, the sum of one hundred ninety-three thousand eight hundred thirty dollars ($193,830) is hereby appropriated from the Attorney General Antitrust Account in the General Fund to the Department of Justice, in augmentation of Item 34, Budget Act of 1975 (Chapter 176, Statutes of 1975), for the antitrust program. Any unencumbered balance remaining from this appropriation as of June 30, 1976, shall revert to and be redeposited in the Attorney General Antitrust Account in the General Fund.

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

In order to proceed actively with the Department of Justice antitrust program, and particularly the existing antitrust litigation and investigation against major petroleum and gas producers in order to restore and maintain competition in California business and to recover damages for past antitrust violations, it is necessary to augment the present antitrust program budget for the remainder of this fiscal year, and thus, the provisions of this act must go into effect immediately.

CHAPTER 121

An act to add Section 14153 to the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 26, 1976. Filed with Secretary of State April 27, 1976.]

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

SECTION 1. Section 14153 is added to the Welfare and Institutions Code, to read:

14153. Funds shall be advanced monthly to the respective

counties for costs of administration of the Medi-Cal program in the manner prescribed in Chapter 9 (commencing with Section 15000) of this part.

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

In order that state funds to the counties for their administrative costs may be paid in advance at the earliest time it is necessary that this act take immediate effect.

CHAPTER 122

An act to amend Section 72602.5 of the Government Code, relating to Antelope Municipal Court.

[Approved by Governor April 28, 1976. Filed with Secretary of State April 28, 1976.]

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

SECTION 1. Section 72602.5 of the Government Code is amended to read:

72602.5. (a) The Antelope Municipal Court District shall have one judge. Such district shall have one jury commissioner, who shall receive an annual salary of eight thousand four hundred dollars ($8,400). The jury commissioner shall exercise the powers of jury commissioners of superior courts, insofar as they are applicable to municipal courts.

(b) On and after the date a vacancy occurs in the position of jury commissioner or January 29, 1980, whichever is earlier, the Antelope Municipal Court District shall have two judges and no jury commissioner.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of local government entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 123

An act to add and repeal Section 18919 to the Welfare and Institutions Code, relating to food stamps, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 28, 1976. Filed with Secretary of State April 28, 1976.]

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

SECTION 1. Section 18919 is added to the Welfare and Institutions Code, to read:

18919. (a) To the extent authorized by federal law, the director may directly or by contract with any person or public or private entity or agency, conduct pilot projects up to 18 months each in consenting counties designated by the director which are representative of urban, rural, and suburban mixtures.

The projects authorized under the section shall consist of the planning, development and implementation, including phased implementations, as appropriate, of alternative food stamp control systems and distribution methods for the purpose of significantly reducing food stamp program costs through greater program accountability and control which may include, but is not limited to:

(a) The reduction of losses caused by fraud and program abuse.

(b) The reduction of investigatory time in evaluating affidavit of loss claims.

(c) The reduction of time required to process and receive food stamps.

(d) The reduction of overall administrative costs of the food stamp program.

The director may determine that a pilot project that has demonstrated its effectiveness in carrying out the purpose of this section should be implemented statewide by legislation. In such event the director shall submit a report upon his determination and its demonstrated effectiveness to the Joint Legislative Budget Committee no later than three months after the conclusion of the first 18 months of the pilot project. The Legislative Analyst shall make an independent evaluation of the project and shall make a report, within three months of receipt of the director's evaluation, of his findings and recommendations to the Legislature. The director may extend an effective pilot project up to an additional 18 months to permit evaluation by the Legislature.

Any project which the department determines is not feasible shall be gradually phased out after the 18-month period of operation. In the event that the department decides under this section that a pilot project should be implemented statewide by the Legislature, all other projects may be gradually phased out regardless of their period of operation.

To enable it to conduct pilot projects under this section, the department may waive existing methods of food stamp issuance, and the enforcement of part or all of Sections 18902 and 18904 and subdivisions (b) and (c) of Section 18904.1, regulations, and standards in one or more counties or on a statewide basis by formal order of the director. The director may secure such approvals from

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the federal government and such waivers of federal requirements as are necessary to carry out this section. The director may utilize, to the extent that the department assumes a consenting county's functions under the provisions of this section, the funds allocated for the counties' food stamp administration reimbursement in the Budget Act.

This section shall become inoperative five years after its effective date and on such date is repealed.

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

In order to develop and utilize more efficient food stamp administrative processes, control systems and distribution methods to reach a greater number of needy eligible persons, it is necessary that this act take immediate effect.

CHAPTER 124

An act to amend Section 945.1 of the Education Code, relating to legal counsel for school districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 28, 1976. Filed with Secretary of State April 28, 1976.]

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

SECTION 1. Section 945.1 of the Education Code is amended to read:

945.1. Anything in a city, county, or city and county charter to the contrary notwithstanding, the governing board or boards of any school district or community college district and any county superintendent of schools may, in lieu of appointing an administrative adviser pursuant to Section 945, appoint a legal counsel and fix and order paid such counsel's compensation as an employee or as an independent contractor. The duties of the legal counsel may include rendering legal advice to the superintendent of schools and to other officers and employees of the school district and such other administrative duties as may be assigned by the superintendent of schools and the governing board of the district, and serving as the legal counsel of the district in the preparation and conduct of school district litigation and administrative proceedings, and rendering advice in relation to school bond and tax increase measures and prepare all legal papers and forms necessary for the voting of school bonds and tax increase measures in the district. The legal counsel shall have been admitted to practice law in the state, and shall not be required to have any certification qualifications. The

term "legal counsel" as used herein includes a sole practitioner, partnership, or a law corporation.

Neither the county counsel or district attorney shall have a duty to perform for a school district any legal services which the legal counsel, while employed by such district, is authorized by this section to perform and which are assigned to legal counsel by the superintendent of schools or the governing board of a district.

In the event a district ceases to employ legal counsel and requests the resumption of legal services by the county counsel or district attorney, the district shall notify the county counsel or district attorney of such fact on or before January 1 of the year preceding the fiscal year in which services are to be resumed.

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

In order that school districts may contract for all necessary legal services to provide for the orderly administration of our educational system, and in order that the uncertainty presently appearing in the statutory law, which would be clarified by this act, may be removed at the earliest possible time, it is essential that this act take immediate effect.

CHAPTER 125

An act to amend Sections 19576, 19589, and 19590 of, and to add Section 19584.4 to, the Education Code, relating to state school building aid, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 29, 1976 Filed with Secretary of State April 29, 1976]

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

SECTION 1. Section 19576 of the Education Code is amended to read:

19576. The board may approve, in whole or in part, an application submitted by a school district under Section 19571 and in such amount, not exceeding the amount applied for, as the board may deem appropriate.

The board may, upon approval of the application, in whole or in part, and subsequently from time to time, make a conditional apportionment or conditional apportionments not exceeding in the aggregate the total amount determined by the board as aforesaid, to the applicant school district from the State School Building Aid Fund for such portion or portions of the construction project as the board determines the district is ready to proceed with. If the board has

approved an application and made an apportionment as to a portion or portions of a construction project, the board may approve the remaining portion or portions of the construction project and make an additional apportionment or apportionments within two years after the original approval without requiring a district to issue additional bonds. The board may also make an additional apportionment or apportionments for a period of time in excess of two years after the original approval without requiring a district to issue additional bonds if it has made a finding that such additional apportionment or apportionments are justified by virtue of the fact that state funds were not available for apportionment within the two-year period after the original approval because of the inability of the state to sell authorized state bonds within the maximum permitted interest rate.

If the board determines that the actual cost is in excess of the estimated cost of the specific school plant facilities or sites for which an apportionment to a district has been made, or for which a district's application has been approved in whole or in part pursuant to this section, the board may make an additional apportionment to such district in an amount equal to such excess even though such additional apportionment will result in the total apportionments to the district exceeding the amount of the application originally approved by the board. Before such additional apportionment becomes final the district, pursuant to Section 19590, shall hold an election to repay the amount of such additional apportionment which is in excess of the amount which the district has previously voted to repay. Such additional apportionment shall become final when the county superintendent of schools transmits to the board and the State Controller a certificate in duplicate stating that the school district has authorized the acceptance and expenditure of the necessary amount of such excess. If such additional apportionments are made by the board within two years after the original approval, except an apportionment made final pursuant to subdivision (c) of Section 19590, the district shall not be required to issue additional bonds.

Except as otherwise provided in this section, all provisions of this chapter (Sections 19551 to 19689, inclusive) relating to apportionments shall apply to apportionments made under this section.

Whenever an apportionment has heretofore been made or is hereafter made to a district for a site and the district heretofore or hereafter proposes to acquire the site through negotiation or condemnation but the total acquisition cost thereof, plus all other costs incidental to either the acquisition or condemnation of the site, exceeds or exceeded the apportionment for the site, the board may at any time hereafter make an additional apportionment to provide for the differential in total acquisition cost without the district being required to issue additional bonds to qualify, providing the board

finds (1) that it is in the interest of the state to proceed with the acquisition despite the acquisition costs, and (2) that the district is unable to provide, or it would be a hardship to require it to provide, the excess costs. The board may also, in its discretion, as a condition of making such apportionment, require the district to repay in full all or any part of the excess apportionment, under such terms and conditions as the board deems desirable, and the district shall be empowered and obligated to comply if it accepts the excess apportionment, notwithstanding any other law to the contrary; provided, (1) that no such repayment shall be required from any source that would be exempt from required contribution toward the cost of a project under Sections 19571 and 19572 (excepting amounts in the General Fund raised by taxes to pay any judgment requiring such repayment), and (2) that any portion of the apportionment not required to be repaid in full, shall be repayable in the same manner as a construction apportionment.

Approval of an application under this section shall not be construed as creating or implying any obligation, commitment or promise on the part of the board or the state to make apportionments under this chapter (Sections 19551 to 19689, inclusive).

SEC. 2. Section 19584.4 is added to the Education Code, to read:

19584.4. The area of any building, the construction of which was financed by the proceeds of a tax levied pursuant to Section 11872, shall not be included in any computation of the area of adequate school construction existing in any applicant school district under this chapter.

SEC. 3. Section 19589 of the Education Code is amended to read:

19589. Payment shall be made in accordance with the terms of a final apportionment, either directly or by way of reimbursement, to a school district for expenditures, or commitments therefor, which have been made by the district for any items approved by the board in such apportionment, provided the construction contract has been let no earlier than two years preceding the date the application is received by the board. Where expenditures were made for, or work was commenced with respect to, any item so approved, prior to the time the application of such district containing such item was received by the board, payment or reimbursement for such item, either with state funds or with district funds which the district is required to contribute by said apportionment, shall be made only upon authorization of the board by special resolution citing this section.

SEC. 4. Section 19590 of the Education Code is amended to read:

19590. No apportionment to a school district shall become final unless: (a) the total amount of outstanding bonds of the district exceeds ninety-five percent (95%) of the basic bond requirement of the district on the date the conditional apportionment is made, or (b) the total amount of the bonds of the district outstanding and unpaid is within twenty-five thousand dollars ($25,000) of the basic

bond requirement of the district, as of the date on which the conditional apportionment is made, or (c) the district has issued and sold pursuant to this section, and as a condition to the initial conditional apportionment, an amount of bonds equal to the total cost of the project for which the apportionment was made, including necessary contingencies. At the time the board makes a conditional apportionment pursuant to Section 19571, it shall determine the total amount of bonds which shall be issued and sold by such district, the proceeds of which shall be applied toward the cost of the project for which the apportionment is sought; provided, that in the event the school district has previously received apportionments, or has become liable for the repayment of an apportionment, such proceeds shall first be applied toward the reduction, in chronological order beginning with the earliest, of any apportionments previously made to the district, or for the repayment of which the district has become liable in whole or in part, before being applied toward the cost of the project for which an apportionment is sought, provided further that no such proceeds shall be applied toward the reduction of any apportionment for a site made pursuant to Section 19577 prior to the combination of such site apportionment with a construction apportionment pursuant to subsection (d) of Section 19577. The amount so determined by the board shall be not less than the minimum amount required for such apportionment to become final under this section. Any apportionment made by the board pursuant to Section 19571 shall be conditioned upon the approval and sale of such bonds by the district. The amount of any apportionment for a construction project made as a consequence of applying district bond proceeds toward the reduction of prior apportionments pursuant to this section instead of applying the district bond proceeds toward the cost of such construction project, shall be excluded in determining the amount chargeable against the apportionments authorized by the electorate of the district to be accepted, expended and repaid. It is hereby declared that this provision, added by the amendment to this section enacted at the 1958 First Extraordinary Session of the Legislature, is not intended as a change in the law, but rather as a declaration of existing law.

Any provision of this code to the contrary notwithstanding, whenever the electors of a district, subsequent to any requirement by the board for the sale of bonds in connection with an apportionment, authorize the issuance of bonds for any purpose for which an apportionment could lawfully be made, such authorization shall, in addition to the purposes specified, be deemed to constitute the consent of the electors to apply the proceeds of the bonds so required to be sold by the board toward the reduction of any apportionment previously made to such district. Any bond funds used to reduce any apportionment pursuant to this section shall be transferred to the State School Building Aid Fund and shall be available for reapportionment by the board. The amount so

determined by the board shall be not less than the minimum amount required for such apportionment to become final under this section. Any apportionment made by the board pursuant to Section 19571 shall be conditioned upon the approval and sale of such bonds by the district.

No apportionment to a school district under this chapter shall become final, nor any agreement authorized by Section 19579.1 be entered into unless at an election called by the governing board of the district, two-thirds of the qualified electors of the district voting thereat have authorized the governing board to accept, expend and repay as provided in this chapter an apportionment under the provisions thereof or, with respect to said agreement, to obligate the district in an amount equal to or in excess of the maximum amount which the district could be obligated by said agreement, or by any act of its governing board or for which it is responsible, contemplated or permitted thereby. Said election shall be called, held and conducted in the same manner as are elections to authorize the issuance of school district bonds, except that the ballot shall contain substantially the following words:

"Shall the governing board of the district be authorized (1) to accept and expend an apportionment from the State of California under and subject to the provisions of Chapter 10 of Division 14 of the Education Code, which amount is subject to repayment as provided by said chapter, or (2) to enter into an agreement or agreements with the state pursuant to Section 19579.1 of the Education Code, which will at the time of such agreement or agreements (or at the time of any subsequent act of the governing board, or for which it is responsible, contemplated or permitted thereby) commit the district to a total expenditure in connection with all such agreements of not more than _____ dollars ($_____), or both. Yes ____ No ____"

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that funds may be made available and essential school construction can be commenced as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 126

An act to amend Sections 14005.1, 14005.4, 14005.7, 14005.12, 14006, 14008, 14008.5, 14018, 14050.1, 14051, 14052, and 14054 of, to add Sections 14005.13, 14005.9, 14050.2, and 14050.3 to, and to repeal Sections 14005.2, 14005.3, 14005.5, 14005.6, 14005.13, and 14055 of, the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

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[Approved by Governor May 4, 1976 Filed with Secretary of State May 4, 1976]

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

SECTION 1. Section 14005.1 of the Welfare and Institutions Code is amended to read:

14005.1. Public assistance recipients are eligible for health care services under Section 14005.

SEC. 2. Section 14005.12 of the Welfare and Institutions Code is amended to read:

14005.12. (a) For the purposes of Sections 14005.4, and 14005.7, except as specified in subdivision (b) of this section, the income levels for maintenance per month shall be 133⅓ percent of the highest amounts which would ordinarily be paid to a family of the same size without any income or resources under subdivision (a) of Section 11450, except that in the case of a single individual the amount of the income level for maintenance per month shall be 85 percent of the standard for a two-person family under Section 11452 and that in the case of a family of 11 persons or more the amount of the income level for maintenance per month shall be the amount for a 10-person family plus for each additional person the amount specified in Section 11452 for additional needy persons.

(b) For the purposes of Sections 14005.4 and 14005.7 for a person in long-term care the amount considered as required for maintenance per month shall be computed pursuant to regulations which provide for the following purposes:

(1) Personal and incidental needs while a patient;

(2) The upkeep and maintenance of the home;

(3) The support and care of his spouse, minor dependents and any disabled relative for whose support he has contributed regularly;

(4) If federal requirements permit such a person to own an automobile of greater value than is permitted in the case of recipients of aid under Chapter 3 of this part, the department shall adopt the more liberal allowance in its rules and regulations.

SEC. 3. Section 14005.13 of the Welfare and Institutions Code is repealed.

SEC. 4. Section 14005.13 is added to the Welfare and Institutions Code, to read:

14005.13. In addition to income exemptions specified in subdivision (a) of Section 14005.7 a general income exemption shall be allowed each month for medically needy persons in an amount equal to:

(a) The difference between the maintenance need specified in subdivision (a) of Section 14005.12 and the amount specified in subdivision (a) of Section 12200 for a blind person or a married couple, both of whom are blind;

(b) The difference between the maintenance need specified in subdivision (a) of Section 14005.12 and the amount specified in

subdivision (b) of Section 12200 for a married couple one of whom is blind and the other of whom is aged or disabled;

(c) The difference between the maintenance need specified in subdivision (a) of Section 14005.12 and the amount specified in subdivision (c) of Section 12200 for a person who is aged or disabled;

(d) The difference between the maintenance need specified in subdivision (a) of Section 14005.12 and the amount specified in subdivision (d) of Section 12200 for a married couple, both of whom are aged or disabled;

(e) The difference between the maintenance need specified in subdivision (a) of Section 14005.12 and the amount specified in subdivision (g) of Section 12200 for an aged, blind, or disabled person in a nonmedical out-of-home care facility;

(f) The difference between the maintenance need specified in subdivision (b) of Section 14005.12 and the amount specified in subdivision (h) of Section 12200 for a person in long-term care.

SEC. 5. Section 14005.2 of the Welfare and Institutions Code is repealed.

SEC. 6. Section 14005.3 of the Welfare and Institutions Code is repealed.

SEC. 7. Section 14005.4 of the Welfare and Institutions Code is amended to read:

14005.4. (a) A medically indigent person or family whose monthly income in excess of the amount required for maintenance established pursuant to Section 14005.12 (exclusive of any amounts considered exempt under the provisions of Chapter 2 (commencing with Section 11200) of this part) is not sufficient to provide for the costs of health care or coverage, less any amount by which the value of his other resources exceeds the value established in accordance with Section 14006, or a reasonable portion of such value thereof as may be determined in accordance with standards established by the director, is eligible for health care services under Section 14005.

(b) A person 18 to 21 years of age, who would be eligible as a medically needy family person but whose parent or parents refuse to apply for health care services, and whose monthly income in excess of the amount required for maintenance established pursuant to Section 14005.12 (exclusive of any amounts considered exempt under the provisions of Chapter 2 (commencing with Section 11200) of this part) is not sufficient to provide for the costs of health care or coverage less any amount by which the value of the family's other resources exceed the value established in accordance with Section 14006, or a reasonable portion of such value thereof as may be determined in accordance with standards established by the director, is eligible for health care services under Section 14005.

(c) Included under this section are children in foster care for whom public agencies are assuming financial responsibility in whole or in part and persons receiving aid under Chapter 2.1 (commencing with Section 16115) or Part 4 of Division 9 of this code.

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(d) The director may, to meet the requirements of the Federal Social Security Act, decrease or increase the eligibility standards for persons under this section.

SEC. 8. Section 14005.5 of the Welfare and Institutions Code is repealed.

SEC. 9. Section 14005.6 of the Welfare and Institutions Code is repealed.

SEC. 10. Section 14005.7 of the Welfare and Institutions Code is amended to read:

14005.7. The following medically needy individuals are eligible for health care service under Section 14005:

(a) A medically needy person whose monthly income in excess of the amount required for maintenance established pursuant to Section 14005.12 (exclusive of any amounts considered exempt as income under Chapter 3 (commencing with Section 12000) of this part) is not sufficient to provide for the costs of health care or coverage less any amount by which the value of his other resources, exceeds the value established in accordance with Section 14006, or a reasonable portion of such value thereof as may be determined in accordance with standards established by the director; or

(b) A medically needy family person whose monthly family income in excess of the amount required for maintenance established pursuant to Section 14005.12, by family size (exclusive of any amounts considered exempt as income under Chapter 2 (commencing with Section 11200) of this part) is not sufficient to provide for the costs of health care or coverage less any amount by which the value of the family's other resources exceeds the value established in accordance with Section 14006, or a reasonable portion of such value thereof as may be determined in accordance with standards established by the director.

SEC. 11. Section 14005.9 is added to the Welfare and Institutions Code, to read:

14005.9. Share of cost shall be determined on a monthly basis. No person or family shall be required to incur more than one month's share of cost prior to being certified as specified in Section 14018.

SEC. 12. Section 14006 of the Welfare and Institutions Code is amended to read:

14006. For the purposes of Sections 14005.4 and 14005.7, the term "other resources" means the real or personal property, or any combination of both, held by a medically needy or medically indigent individual.

The amount of other resources is limited to not more than one thousand five hundred dollars ($1,500) for an aged, blind or disabled individual, or not more than three thousand dollars ($3,000) for an aged, blind or disabled individual and his spouse. For a medically needy family person or for a medically indigent person or family, this limit shall be established at not less than one thousand five hundred dollars ($1,500) and not more than three thousand dollars ($3,000),

in accordance with family size. In addition, a medically needy or medically indigent person or family may retain other property in accordance with the provisions of Sections 11153.7 and 12152 of this code and any additional resources allowed under the provisions of Title XVI of the Social Security Act. The director, to meet the requirements of the Federal Social Security Act and to insure the highest percentage of federal financial participation in the program provided by this chapter, may decrease or increase the amounts set forth herein. If the holdings are in the form of real property, the value shall be computed on the basis of four (4) times the assessed value less the unpaid amount of any encumbrance of record. If the holdings consist of money on deposit, the value shall be the actual amount thereof. If the holdings are in any other form of personal property or investment, except life insurance, the value shall be the conversion value as of the date of application or the anniversary date of such application. If the holdings are in the form of life insurance, the value shall be the cash value as of the policy anniversary nearest the date of such application.

The value of property holdings shall be determined as of the date of application and, if the person is found eligible, this determination shall establish the amount of such holdings to be considered during the ensuing 12 months except as provided in the following paragraph:

A new determination to govern during the succeeding 12 months shall be made on the first anniversary date of the application or such alternate date as may be established following the acquisition of additional holdings as provided in the following paragraph and on each succeeding anniversary date thereafter.

If any person shall by gift, inheritance, or other manner, acquire additional holdings during any such interval, other than from his own earnings, he shall immediately report such acquisition, and the anniversary date shall become the date of such acquisition.

In establishing standards for the determination of the reasonable portion of property valuation applicable to the costs of health care, the director shall provide for application of not less than 1 percent of the value of holdings in excess of the limitations and exemptions set forth in Section 11153.7.

SEC. 13. Section 14008 of the Welfare and Institutions Code is amended to read:

14008. (a) No relative, other than the spouse, shall be held to be financially responsible for the cost of health care received by an adult eligible under this chapter.

(b) No relative, other than the parent or parents of a child under 18, shall be held to be financially responsible for the cost of health care or related services received by such child, otherwise eligible under this chapter, except that the parent or parents shall have financial responsibility for any child under age 21 who is eligible as a medically needy family person.

SEC. 14. Section 14008.5 of the Welfare and Institutions Code is amended to read:

14008.5. The degree of liability of relatives to support recipients of public assistance shall not be increased as a result of the services provided such recipients under this chapter. Liability for such support shall be determined in accordance with the laws and regulations of the respective public assistance programs under which eligibility is determined.

No relative shall be held legally liable under this chapter to support or contribute to the support of any applicant for or recipient of old age assistance or medically needy aged person covered under Section 14005.7.

The degree of liability under this chapter of relatives to support recipients of aid to the blind and aid to the disabled, and medically needy persons in comparable circumstances, shall be determined in accordance with the laws and regulations applicable to the aid to the blind and aid to the disabled programs.

SEC. 15. Section 14018 of the Welfare and Institutions Code is amended to read:

14018. The Medi-Cal card shall be authorization for payment for health care services rendered, during and subsequent to the month of application of a person eligible under Section 14005.1, or a person eligible under Section 14005.4 or 14005.7 who is certified by the department.

SEC. 16. Section 14050.1 of the Welfare and Institutions Code is amended to read:

14050.1. For purposes of this chapter, "public assistance recipient" means a person who is eligible for aid under the provisions of Chapter 2 (commencing with Section 11200), 3 (commencing with Section 12000), or 5 (commencing with Section 13000) of this part. In addition it includes persons for whom coverage is required under the categorically needy program under Title XIX of the Social Security Act as defined in federal regulations.

SEC. 17. Section 14050.2 is added to the Welfare and Institutions Code, to read:

14050.2. For the purposes of this chapter "aid" means financial assistance provided to or in behalf of needy persons under the provisions of Chapters 2 (commencing with Section 11200), 3 (commencing with Section 12000), and 5 (commencing with Section 13000) of this part.

SEC. 18. Section 14050.3 is added to the Welfare and Institutions Code, to read:

14050.3. "A person in long-term care" means a person who is an inpatient in a medical facility for more than the month of admission who is expected to remain for the full month after the month of admission.

SEC. 19. Section 14051 of the Welfare and Institutions Code is amended to read:

14051. (a) "Medically needy person" means an aged, blind or disabled person who could qualify as a public assistance recipient except for income and resources but whose income and resources are insufficient to provide for the costs of health care or coverage.

(b) "Medically needy family person" means a parent or child who could qualify as a public assistance recipient except for income and resources exclusive of those persons specified in subdivision (a), but whose income and resources are insufficient to provide for the costs of health care or coverage.

SEC. 20. Section 14052 of the Welfare and Institutions Code is amended to read:

14052. " Medically indigent person or family" means a person or family who is not eligible as a public assistance recipient or a medically needy person or family for reasons other than income or resources but whose income and resources are insufficient to provide for the costs of health care.

SEC. 21. Section 14054 of the Welfare and Institutions Code is amended to read:

14054. "Share of cost" means the amount of the costs of health care which a person or family eligible under Section 14005.4 or 14005.7 must incur prior to being certified by the department as specified in Section 14018.

SEC. 22. Section 14055 of the Welfare and Institutions Code is repealed.

SEC. 23. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that emergency assistance and other benefits provided by this act may be made available at the earliest possible time, it is necessary that this act take immediate effect.

SEC. 24. This act shall become operative July 1, 1976, or within 60 days after the bill takes effect, whichever is later.

CHAPTER 127

An act to add Section 40521 to the Vehicle Code, relating to offenses.

[Approved by Governor May 4, 1976. Filed with Secretary of State May 5, 1976]

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

SECTION 1. Section 40521 is added to the Vehicle Code, to read:

40521. (a) Except when personal appearance is required by the bail schedule established under Section 1269b of the Penal Code, a person to whom a notice to appear has been issued under Section

40500 who intends to forfeit bail and to pay any penalty assessment may forward by United States mail the amount fixed as bail, together with the appropriate amount of any penalty assessment, to the person authorized to receive a deposit of bail. Notwithstanding the provisions of Section 40510, such amounts may be paid in the form of a personal check of the person who has signed a written promise to appear and drawn on a banking institution located in this state, a bank cashier's check, or a money order. Bail and any penalty assessment shall be paid not later than the day of appearance set forth in the notice to appear.

(b) Bail forwarded by mail shall be effective only when the funds are actually received.

(c) The provisions of Section 40512 are applicable to bail paid pursuant to this section. Upon the making of the order pursuant to Section 40512 that no further proceedings be had, the amount paid as bail shall be paid into the city or county treasury, as the case may be, and the penalty assessment shall be transmitted to the State Treasury in the manner provided in Section 42052.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because there are savings as well as costs in this act that, in the aggregate, do not result in significant cost changes.

SEC. 3. This act shall become operative on January 1, 1978.

CHAPTER 128

An act to repeal Section 32177 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor May 4, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 32177 of the Revenue and Taxation Code is repealed.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall become operative on January 1, 1980.

CHAPTER 129

An act to amend Sections 81005 and 87200 of the Government Code, relating to conflicts of interests, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 4, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 81005 of the Government Code, as amended by Chapter 915 of the Statutes of 1975, is amended to read:

81005. Reports and statements required by this title shall be filed as follows:

(a) Reports and statements required by Chapter 6 and reports and statements of statewide elected officers, candidates for statewide elective office, committees supporting such candidates, state central committees of political parties, and committees supporting or opposing statewide measures—one original and one copy with the Secretary of State and, except for reports and statements required by Chapter 6, two copies with the Clerk of Los Angeles County and two copies with the Clerk of the City and County of San Francisco;

(b) Reports and statements of candidates for and persons holding the office of superior court judge, Member of the State Legislature, and member of the Board of Equalization, and of committees supporting such candidates—one original and one copy with the Secretary of State, and two copies with the clerk of the largest county by population which in whole or in part is included in the election district which the officeholder represents or in which the candidate or any of the candidates seek nomination or election, and two copies with the clerk of the county in which the candidate or officeholder resides, or in which the committee is domiciled, provided that a committee not domiciled in California shall file two copies with the Registrar-Recorder of Los Angeles County instead of its county of domicile. For the purposes of this section, the domicile of a committee is the address of the committee listed on the campaign statement. No more than two copies of each such statement need be filed with the clerk of any one county.

(c) Reports and statements of candidates for and persons holding any elective office not mentioned above which is voted upon in more than one county, of committees supporting such candidates and committees supporting or opposing measures to be voted upon in more than one county but not statewide—one original and one copy with the clerk of the county having the largest population, and two copies with the clerk of the county in which the candidate or officeholder resides, or in which the committee is domiciled, provided that a committee not domiciled in California shall file two

copies with the Registrar-Recorder of Los Angeles County instead of its county of domicile. For the purposes of this section, the domicile of a committee is the address of the committee listed on the campaign statement. No more than two copies of each such statement need be filed with the clerk of any one county.

(d) Reports and statements of candidates for and persons holding any elective office not mentioned above which is voted upon wholly within one city, of committees supporting such candidates and committees supporting or opposing measures to be voted upon wholly within one city—one original and one copy with the city clerk.

(e) Reports and statements of candidates for and persons holding any elective office not mentioned above, of committees supporting such candidates and committees supporting or opposing measures to be voted upon in not more than one county—one original and one copy with the county clerk.

(f) Reports and statements of the county central committees of political parties—one original and one copy with the Secretary of State, and two copies with the county clerk.

(g) All reports and statements required by Chapter 7—one original with the agency, which shall make and retain a copy and forward the original to the code reviewing body. "Code reviewing body" as used in this subdivision means the commission for the purpose of filing financial disclosure statements prepared pursuant to Article 2 (commencing with Section 87200) of Chapter 7. "Agency" as used in this subdivision means the clerk of the court for judges of courts of record.

SEC. 2. Section 87200 of the Government Code, as amended by Chapter 797 of the Statutes of 1975, is amended to read:

87200. This article is applicable to elected state officers, judges of courts of record, members of the Public Utilities Commission, members of the State Energy Resources Conservation and Development Commission, members of the Fair Political Practices Commission, members of the California Coastal Zone Conservation Commission, members of the board of supervisors, district attorneys and chief administrative officers of counties, mayors, city managers, chief administrative officers and members of city councils of cities, members of each of the six regional coastal zone conservation commissions, and to candidates for any of these offices at any election.

SEC. 3. The sum of ten thousand dollars ($10,000) is hereby appropriated from the General Fund for the fiscal year 1976–1977 to the Fair Political Practices Commission for costs incurred by it pursuant to this act. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any other appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may

cause both increased and decreased costs to local governmental entities and school districts which in the aggregate, do not result in significant identifiable cost changes.

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

The Legislature hereby finds and declares that this act is necessary and must go into immediate effect in order to protect the public interest and in order that the intent of the Political Reform Act of 1974 be carried out by requiring that all branches of government be subject to the conflict of interest and financial disclosure provisions of the act.

CHAPTER 130

An act to amend Sections 209, 242, 246, and 4801 of, and to repeal Section 243 of, the Civil Code, relating to civil law.

[Approved by Governor May 4, 1976 Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 209 of the Civil Code is amended to read:

209. An individual is not bound to maintain his or her spouse's children by a former relationship; but if the individual receives them into his or her family and supports them, it is presumed that he or she does so as a parent, and, where such is the case, they are not liable to him or her for their support, nor he or she to them for their services.

SEC. 2. Section 242 of the Civil Code is amended to read:

242. Every individual shall support his or her spouse and child, and shall support his or her parent when in need. The duty imposed by this section shall be subject to the provisions of Sections 196, 206, 246, 4700, 4801, 5131, and 5132.

SEC. 3. Section 243 of the Civil Code is repealed.

SEC. 4. Section 246 of the Civil Code is amended to read:

246. When determining the amount due for support the court shall consider the following circumstances of the respective parties:

(a) The earning capacity and needs of each party.

(b) The obligations and assets, including the separate property, of each.

(c) The duration of the marriage.

(d) The ability of the obligee to engage in gainful employment without interfering with the interests of dependent children in the custody of the obligee.

(e) The time required for the obligee to acquire appropriate

education, training, and employment.

(f) The age and health of the parties.

(g) The standard of living of the parties.

(h) Any other factors which it deems just and equitable.

SEC. 5. Section 4801 of the Civil Code is amended to read:

4801. (a) In any judgment decreeing the dissolution of a marriage or a legal separation of the parties, the court may order a party to pay for the support of the other party any amount, and for such period of time, as the court may deem just and reasonable. In making the award, the court shall consider the following circumstances of the respective parties:

(1) The earning capacity and needs of each spouse.

(2) The obligations and assets, including the separate property, of each.

(3) The duration of the marriage.

(4) The ability of the supported spouse to engage in gainful employment without interfering with the interests of dependent children in the custody of the spouse.

(5) The time required for the supported spouse to acquire appropriate education, training, and employment.

(6) The age and health of the parties.

(7) The standard of living of the parties.

(8) Any other factors which it deems just and equitable.

At the request of either party, the court shall make appropriate findings with respect to the circumstances. The court may order the party required to make such payment of support to give reasonable security therefor. Any order for support of the other party may be modified or revoked as the court may deem necessary, except as to any amount that may have accrued prior to the date of the filing of the notice of motion or order to show cause to modify or revoke. At the request of either party, the order of modification or revocation shall include findings of fact and may be made retroactive to the date of filing of the notice of motion or order to show cause to modify or revoke, or to any date subsequent thereto.

(b) Except as otherwise agreed by the parties in writing, the obligation of any party under any order or judgment for the support and maintenance of the other party shall terminate upon the death of either party or the remarriage of the other party.

(c) When a court orders a person to make specified payments for support of the other party for a contingent period of time, the liability of such person terminates upon the happening of such contingency. If the party to whom payments are to be made fails to notify the person ordered to make such payments, or the attorney of record of such person, of the happening of such contingency and continues to accept support payments, such party shall refund any and all moneys received which accrued after the happening of such contingency, except that such overpayments shall first be applied to any and all support payments which are then in default. The court

may, in the original order for support, order the party to whom payments are to be made to notify the person ordered to make such payments, or his attorney of record, of the happening of such contingency.

(d) An order for payment of an allowance for the support of one of the parties shall terminate at the end of the period specified in the order and shall not be extended unless the court in its original order retains jurisdiction.

CHAPTER 131

An act to amend Section 43200 of the Health and Safety Code, relating to air pollution.

[Approved by Governor May 4, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 43200 of the Health and Safety Code is amended to read:

43200. The state board may adopt a regulation to prohibit the sale and registration in this state of any new motor vehicle certified by the state board to which there has not been securely affixed on a side window to the rear of the driver or, if it cannot be so placed, to the windshield of the motor vehicle in accordance with paragraph (3) of subdivision (b) of Section 26708 of the Vehicle Code, by the manufacturer a decal on which the manufacturer shall endorse clearly, distinctly, and legibly true and correct entries disclosing the following information concerning such motor vehicle:

(a) The emission standards adopted by the state board pursuant to Section 43101 which are applicable to that motor vehicle.

(b) For 1976 and subsequent model year motor vehicles, the exhaust emissions, based on quality audit tests of assembly line motor vehicles or, if required by the state board, as determined by the factory assembly line test for that motor vehicle, and, at the beginning of each model year, based on certification fleet data.

Any such regulation may be adopted only if the state board finds that the regulation is (1) necessary to enforce or assure compliance with applicable statutes, standards, or procedures relating to vehicle emissions or (2) necessary for the protection and information of consumers.

Nothing in this division or in any other statute shall be construed as prohibiting a purchaser from removing the decal required by this section, after the purchaser has taken possession of the vehicle.

CHAPTER 132

An act to amend Section 1260 of the Civil Code, relating to homesteads.

[Approved by Governor May 4, 1976 Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 1260 of the Civil Code is amended to read:

1260. Homesteads may be selected and claimed:

1. By any head of a family, of not exceeding thirty thousand dollars ($30,000) in actual cash value, over and above all liens and encumbrances on the property at the time of any levy of execution thereon.

2. By any person 65 years of age or older, of not exceeding thirty thousand dollars ($30,000) in actual cash value, over and above all liens and encumbrances on the property at the time of any levy of execution thereon.

3. By any other person, of not exceeding fifteen thousand dollars ($15,000) in actual cash value, over and above all liens and encumbrances.

Any declaration of homestead which has been filed prior to January 1, 1977 shall be deemed to be amended on such date by increasing the value of any property selected and claimed to the value permitted by this section on such date to the extent that such increase does not impair or defeat the right of any creditor to execute upon the property which existed prior to such date.

CHAPTER 133

An act relating to the Chowchilla Memorial Hospital District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 4, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Notwithstanding any limitation as to the amount, nature, or purpose of any indebtedness or other obligation referred to in Section 32130 of the Health and Safety Code, the Chowchilla Memorial Hospital District may borrow money on certificates of indebtedness or other evidences of indebtedness when funds are needed to meet current expenses of maintenance and operation, in an amount not to exceed forty cents ($0.40) on each one hundred dollars ($100) of assessed valuation of the district. Such certificates

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of indebtedness or other evidences of indebtedness of the Chowchilla Memorial Hospital District shall be issued, offered for sale, and sold pursuant to, and the necessary tax levy to pay the principal and interest thereon shall be levied, collected, used, and retained pursuant to, the provisions of Section 32130 of the Health and Safety Code, except that such certificates of indebtedness or other evidences of indebtedness may bear interest at a rate not exceeding 8 percent per annum.

SEC. 2. The Legislature finds in enacting this act that the Chowchilla Memorial Hospital District has a special problem with respect to short-term financing because of malpractice insurance costs but has a long-term operations plan which would eliminate its financial problem, and, therefore, that a general statute cannot be made applicable.

SEC. 2.5. The provisions of this act shall become operative only if the bond issue and tax override proposal are approved by the voters of the Chowchilla Hospital District on March 2, 1976.

SEC. 3. This act shall remain in effect only until January 1, 1980, and shall have no force or effect on or after such date, unless a later enacted statute, which is chaptered before January 1, 1980, deletes or extends such date.

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

In order for the Chowchilla Memorial Hospital District to borrow funds so it can continue to operate, it is necessary that this act take effect immediately.

CHAPTER 134

An act to amend Section 29013 of the Government Code, relating to counties.

[Approved by Governor May 5, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 29013 of the Government Code is amended to read:

29013. "Fixed assets" means land, structures and improvements, and equipment. Expenditures which result in the construction or improvement of county roads and flood control projects or in the acquisition of rights-of-way therefor, including the land, are specifically excluded.

CHAPTER 135

An act to amend Section 27122 of the Streets and Highways Code, relating to bridge and highway districts.

[Approved by Governor May 5, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 27122 of the Streets and Highways Code is amended to read:

27122. The composition of the board of directors of the district shall be as follows:

(a) One director, representing Del Norte County, one director, representing Mendocino County, and one director, representing Napa County, appointed by the board of supervisors of the respective represented county.

(b) Four directors, representing Marin County, appointed by the board of supervisors thereof. One of such directors shall be an elected member of such board of supervisors, another of such directors shall be an elected member of a city council of a city within Marin County, and shall be designated by the Marin Council of Mayors and Councilmen and another of such directors shall be a member of the general public.

(c) Three directors, representing Sonoma County, appointed by the board of supervisors thereof. One of such directors may be an elected member of such board of supervisors, and another of such directors shall be an elected member of a city council of a city within Sonoma County, and shall be designated by the Mayors' and Councilmen's Association of Sonoma County.

(d) Nine directors, representing the City and County of San Francisco, eight of which shall be appointed by the board of supervisors thereof, and one of which shall be appointed by the mayor thereof by an order of appointment, a certified copy of which shall be immediately forwarded to the Secretary of State. Four of such directors shall be elected members of such board of supervisors.

CHAPTER 136

An act to amend and repeal Section 1208 of the Penal Code, as amended by Section 1 of Chapter 1251 of the Statutes of 1975, and to amend Section 1208 of the Penal Code, as amended by Section 2 of Chapter 1251 of the Statutes of 1975, relating to work furlough, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 1208 of the Penal Code, as amended by Section 1 of Chapter 1251 of the Statutes of 1975, is amended to read:

1208. (a) The provisions of this section, insofar as they relate to employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any such ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in such ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of such persons, acting separately or jointly as to any of such functions; and may, by a subsequent ordinance, revise such provisions within the authorization of this section. The board of supervisors may also terminate the operativeness of this section, either with respect to employment or education in the county if it finds by ordinance that, because of changed circumstances, the operation of this section, either with respect to employment or education in that county is no longer feasible.

Notwithstanding any other provision of law, the board of supervisors may by ordinance designate a facility for confinement of prisoners classified for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may, with the approval of the board of supervisors, enter into contracts with appropriate public or nonprofit private agencies to provide a facility and services for the housing, sustenance, counseling, supervision, and related services for such inmates as are eligible for work furlough. No agency entering into such a contract may itself employ any person who is in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody of such prisoners to the work furlough administrator to be confined in such facility for the period during which they are in the work furlough program.

(b) When a person is convicted of a misdemeanor and sentenced to the county jail, or is imprisoned therein for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense, or committed under the terms of Section 6404 or 6406 of the Welfare

and Institutions Code as a habit-forming drug addict, the work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular employment, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure employment for himself, unless the court at the time of sentencing or committing has ordered that such person not be granted work furloughs. The work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular educational program, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure education for himself, unless the court at the time of sentencing has ordered that such person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his regular employment or educational program, the administrator shall arrange for a continuation of such employment or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular educational program, and the administrator has authorized the prisoner to secure employment or education for himself, the prisoner may do so, and the administrator may assist him in doing so. Any employment or education so secured must be suitable for the prisoner. Such employment or educational program, if such educational program includes earnings by the prisoner, must be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in such area. In no event may any such employment or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed or educated.

(d) Whenever the prisoner is not employed or being educated and between the hours or periods of employment or education, he shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisoner is injured during a period of employment or education, the work furlough administrator shall have the authority to release him from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, worker's compensation insurer, or the prisoner. Such release shall not be construed as assumption of liability by the county or work furlough administrator for medical treatment obtained.

The work furlough administrator may release any prisoner classified for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe

hardship if the release were not granted, or to attend such activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to, an attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work furlough administrator, and it shall be the duty of the prisoner's employer to transmit such wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of attachment or execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, such request shall have priority. In a case in which the functions of the administrator are performed by a sheriff, and such sheriff receives a writ of attachment or execution for the earnings of a prisoner subject to this section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, he shall first levy on the earnings pursuant to the writ. When an employer or educator transmits such earnings to the administrator pursuant to this subdivision he shall have no liability to the prisoner for such earnings. From such earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall deduct so much of the costs of administration of this section as is allocable to such prisoner, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge and thereupon shall be paid to him.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018, 4019, and 4019.2.

(g) In the event the prisoner violates the conditions laid down for his conduct, custody, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4532 of the Penal Code.

(i) As used in this section, "education" includes vocational and educational training and counseling; and psychological, drug abuse, alcoholic and other rehabilitative counseling; "educator" includes a person or institution providing such training or counseling.

(j) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 2. Section 1208 of the Penal Code, as amended by Section 2 of Chapter 1251 of the Statutes of 1975, is amended to read:

1208. (a) The provisions of this section, insofar as they relate to employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any such ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in such ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of such persons, acting separately or jointly as to any of such functions; and may, by a subsequent ordinance, revise such provisions within the authorization of this section. The board of supervisors may also terminate the operativeness of this section, either with respect to employment or education in the county if it finds by ordinance that because of changed circumstances, the operation of this section, either with respect to employment or education in that county is no longer feasible.

Notwithstanding any other provision of law, the board of supervisors may by ordinance designate a facility for confinement of prisoners classified for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may, with the approval of the board of supervisors, enter into contracts with appropriate public or nonprofit private agencies to provide a facility and services for the housing, sustenance, counseling, supervision, and related services for such inmates as are eligible for work furlough. No agency entering into such a contract may itself employ any person who is in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody of such prisoners to the work furlough administrator to be confined in such facility for the period during which they are in the work furlough program.

(b) When a person is convicted of a misdemeanor and sentenced to the county jail, or is imprisoned therein for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense, or committed under the terms of Section 6404 or 6406 of the Welfare and Institutions Code as a habit-forming drug addict, the work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in

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his regular employment, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure employment for himself, unless the court at the time of sentencing or committing has ordered that such person not be granted work furloughs. The work furlough administrator may, if he concludes that such person is a fit subject therefor, direct that such person be permitted to continue in his regular educational program, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure education for himself, unless the court at the time of sentencing has ordered that such person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his regular employment or educational program, the administrator shall arrange for a continuation of such employment or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular educational program, and the administrator has authorized the prisoner to secure employment or education for himself, the prisoner may do so, and the administrator may assist him in doing so. Any employment or education so secured must be suitable for the prisoner. Such employment or educational program, if such educational program includes earnings by the prisoner, must be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in such area. In no event may any such employment or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed or educated.

(d) Whenever the prisoner is not employed or being educated and between the hours or periods of employment or education, he shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisoner is injured during a period of employment or education, the work furlough administrator shall have the authority to release him from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, worker's compensation insurer, or the prisoner. Such release shall not be construed as assumption of liability by the county or work furlough administrator for medical treatment obtained.

The work furlough administrator may release any prisoner classified for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe hardship if the release were not granted, or to attend such activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to, an

attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work furlough administrator, and it shall be the duty of the prisoner's employer to transmit such wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, such request shall have priority. In a case in which the functions of the administrator are performed by a sheriff, and such sheriff receives a writ of execution for the earnings of a prisoner subject to this section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, he shall first levy on the earnings pursuant to the writ. When an employer or educator transmits such earnings to the administrator pursuant to this subdivision he shall have no liability to the prisoner for such earnings. From such earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall deduct so much of the costs of administration of this section as is allocable to such prisoner, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge and thereupon shall be paid to him.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018, 4019, and 4019.2.

(g) In the event the prisoner violates the conditions laid down for his conduct, custody, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4532 of the Penal Code.

(i) As used in this section, "education" includes vocational and educational training and counseling; and psychological, drug abuse, alcoholic and other rehabilitative counseling; "educator" includes a person or institution providing such training or counseling.

(j) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 3. Section 1208 of the Penal Code as amended by Section 1 of this act shall remain operative only until January 1, 1977, and as of that date is repealed, and on such date Section 1208 of the Penal Code, as amended by Section 2 of this act shall become operative.

SEC. 4. This act is an urgency statute necessary for the

immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The provision of additional facilities for the housing of work furloughees is necessary for the rehabilitation of prisoners. In order to protect the public safety by providing for such rehabilitation at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 137

An act to amend Section 69503 of the Government Code, relating to destruction of court records.

[Approved by Governor May 5, 1976 Filed with Secretary of State May 5, 1976]

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

SECTION 1. Section 69503 of the Government Code is amended to read:

69503. (a) Notwithstanding any other provision of law relating to the destruction of court records, after complying with the requirements of subdivisions (c) and (d), the county clerk may cause to be destroyed any documents, records, instruments, books, depositions, transcripts, or other papers filed in any action or proceeding in the superior court or otherwise filed in his office pursuant to law, if the action or proceeding in which the papers were filed is not pending or on appeal in any court and any of the following events have occurred:

(1) The dismissal of the entire action has been entered.

(2) A period of three years has elapsed since a deposition or a transcript of a preliminary hearing or coroner's inquest was filed.

(3) A period of five years has elapsed since the papers in a domestic relations action or proceeding were filed.

(4) A period of eight years has elapsed since the papers in any other action or proceeding were filed.

(b) Notwithstanding any other provision of law relating to the destruction of court records, after complying with the requirements of subdivision (c), the county clerk may cause to be destroyed any will delivered to him pursuant to Section 320 of the Probate Code, if a period of eight years has elapsed since the delivery of the will.

(c) The county clerk shall maintain for the use of the public a microphotographic film print or copy of each will, document, record, instrument, book, deposition, transcript, or other paper so destroyed prepared pursuant to the procedure specified in Sections 1531 and 1551 of the Evidence Code. The county clerk shall promptly seal and store at least one original negative of each microphotographic film

print or copy in a manner and place that reasonably assures its preservation indefinitely against loss, theft, defacement, or destruction.

(d) The county clerk shall not destroy any transcript of a preliminary hearing without the written consent of the district attorney.

CHAPTER 138

An act to amend Section 466.5 of the Penal Code, relating to motor vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 466.5 of the Penal Code is amended to read:

466.5. (a) Every person who, with the intent to use it in the commission of an unlawful act, possesses a motor vehicle master key or a motor vehicle wheel lock master key is guilty of a misdemeanor.

(b) Every person who, with the intent to use it in the commission of an unlawful act, uses a motor vehicle master key to open a lock or operate the ignition switch of any motor vehicle or uses a motor vehicle wheel lock master key to open a wheel lock on any motor vehicle is guilty of a misdemeanor.

(c) Every person who knowingly manufactures for sale, advertises for sale, offers for sale, or sells a motor vehicle master key or a motor vehicle wheel lock master key, except to persons who use such keys in their lawful occupations or businesses, is guilty of a misdemeanor.

(d) As used in this section:

(1) "Motor vehicle master key" means a key which will operate all the locks or ignition switches, or both the locks and ignition switches, in a given group of motor vehicle locks or motor vehicle ignition switches, or both motor vehicle locks and motor vehicle ignition switches, each of which can be operated by a key which will not operate one or more of the other locks or ignition switches in such group.

(2) "Motor vehicle wheel lock" means a device attached to a motor vehicle wheel for theft protection purposes which can be removed only by a key unit unique to the wheel lock attached to a particular motor vehicle.

(3) "Motor vehicle wheel lock master key" means a key unit which will operate all the wheel locks in a given group of motor vehicle wheel locks, each of which can be operated by a key unit which will not operate any of the other wheel locks in the group.

SEC. 2. Notwithstanding Section 2231 of the Revenue and

Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which in the aggregate, do not result in significant identifiable cost changes.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the possession of motor vehicle wheel lock master keys be controlled so as to minimize their availability to perpetrate thefts of, or from, motor vehicles, it is necessary that this act take effect immediately.

CHAPTER 139

An act to amend Section 71674 of, and to add Article 2.5 (commencing with Section 71638) to Chapter 2, Part 5, Division 20 of, the Water Code, relating to municipal water districts.

[Approved by Governor May 5, 1976. Filed with Secretary of State May 5, 1976.]

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

SECTION 1. Section 71674 of the Water Code is amended to read:

71674. A district may fix, levy and collect a sewage and waste water service standby or availability charge in the same manner and under the same terms and conditions as are provided for a water standby or availability charge in Articles 2 (commencing with Section 71630) and 2.5 (commencing with Section 71638) of Chapter 2 of this part.

SEC. 2. Article 2.5 (commencing with Section 71638) is added to Chapter 2, Part 5, Division 20, of the Water Code, to read:

Article 2.5. Alternative Provisions for Standby Charges

71638. This alternative procedure may be utilized by a district or for an improvement district therein if the procedure set forth in Article 2 (commencing with Section 71630) of this chapter has been used for the preceding three consecutive years in such district or for such improvement district.

71638.1. For property within a district, a portion thereof, or an improvement district, which property was previously charged or assessed for such purposes, the district by resolution may fix on or

before the third Monday of August, in each fiscal year, a water standby assessment or availability charge in the district, in any portion thereof, or in any improvement district, to which water is made available by the district, whether the water is actually used or not.

71638.2. The resolution fixing a standby assessment or availability charge may establish schedules varying the charges according to land uses, water uses, and degree of water availability, subject to the maximum charges provided in Section 71631.

71638.3. The secretary shall cause written notice to be mailed to the owner of any affected property which has changed ownership since the last standby assessment or availability charge was fixed and to all persons affected by a proposed increase in the standby assessment or availability charge above the amount set for the preceding year. Such notice shall also be published as provided in Section 71632. Such notice will be mailed to the person shown as the owner of the the property on the last equalized assessment roll or known to the secretary and shall set forth the time and place the board will consider the matter, together with the schedule of charges proposed to be established. At the time stated in the notice, the board shall hear and consider all objections or protests, if any, to the proposed charges. Upon the conclusion of the hearing, the board may adopt, revise, change, reduce or modify an assessment or charge, or overrule any or all objections.

71638.4. The levy and collection of such assessment or charge shall be made as provided in Sections 71634 through 71637, inclusive.

CHAPTER 140

An act to amend Section 74341 of the Government Code, relating to courts.

[Approved by Governor May 8, 1976. Filed with Secretary of State May 9, 1976.]

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

SECTION 1. Section 74341 of the Government Code, as amended by Chapter 1306 of the Statutes of 1974, is amended to read:

74341. There shall be 22 judges.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement to any local agency for its costs because the financing of municipal court judgeships is the responsibility of local agencies.

CHAPTER 141

An act to add Sections 8730.1, 8730.2, and 8730.3 to the Water Code, relating to reclamation.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 8730.1 is added to the Water Code, to read:

8730.1. The board shall acknowledge the receipt of all applications in writing within 10 days of receipt. All applications shall be acted upon within 90 days of receipt, except that applications subject to the provisions of Division 13 (commencing with Section 21000) of the Public Resources Code shall be acted upon within 180 days of receipt. Applicants may waive the requirement that applications be acted upon within such period.

This section shall not apply to emergency permits.

SEC. 2. Section 8730.2 is added to the Water Code, to read:

8730.2. Applicants shall be informed of the staff recommendations concerning the application at least seven days prior to being acted upon.

This section shall not apply to emergency permits.

SEC. 3. Section 8730.3 is added to the Water Code, to read:

8730.3. Applicants shall identify the names and addresses of contiguous landowners. Contiguous landowners so identified shall be informed of pending applications and their content and shall be informed of the staff recommendations concerning the application.

This section shall not apply to emergency permits.

CHAPTER 142

An act to amend Sections 2626, 2628, 2851, 2852, 2855, and 2856 of, and to repeal Sections 2622, 2625, and 2854 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 2622 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 2625 of the Revenue and Taxation Code is repealed.

SEC. 3. Section 2626 of the Revenue and Taxation Code is amended to read:

2626. On or before June 1st, the auditor shall compare the delinquent roll, if one is prepared, with the secured roll. If satisfied the delinquent roll is correct, he shall:

(a) Foot the unpaid taxes and penalties.

(b) Credit the tax collector with the unpaid taxes and penalties on the secured roll.

(c) Make a final settlement with him of all taxes and penalties charged against him on the secured roll.

The tax collector shall deliver the treasurer's receipt to the auditor, unless the treasurer is the collector, and shall immediately account for any deficiency. The secured roll shall remain in the tax collector's office.

SEC. 4. Section 2628 of the Revenue and Taxation Code is amended to read:

2628. Annually, on or before August 10th, the tax collector shall make a collections report on the secured roll and, if one is prepared, the delinquent roll, and make it or them available to the auditor for purposes of audit.

SEC 5. Section 2851 of the Revenue and Taxation Code is amended to read:

2851. It is hereby declared to be the purpose of this chapter to provide an alternative procedure for the collection of property taxes on the secured roll after the second installment of such taxes is delinquent. It is further declared to be the object of this alternative procedure to eliminate the preparation of a delinquent roll by the county tax collector in those counties in which the tax collector has prepared an abstract list of the unpaid items from all delinquent rolls of the county.

SEC. 6. Section 2852 of the Revenue and Taxation Code is amended to read:

2852. The procedure authorized by this chapter may be placed in effect in any county by resolution of the board of supervisors adopted on or before August 1st preceding the lien date of the taxes to which the provisions of this chapter are to apply or, at any time, by resolution of the board of supervisors, specifying the effective date, adopted pursuant to the request of the county assessor, county auditor, and county tax collector; provided, that prior to the adoption of such resolution an abstract list of all unpaid items on the delinquent rolls has been prepared and certified by the county auditor, is in use and will continue to be used by the tax collector.

After adoption of the procedure authorized by this chapter, the tax collector must insert in the abstract list or prepare an abstract list of unpaid items from the secured roll each year in the manner provided in Chapter 4, Part 7, Division 1 of the Revenue and Taxation Code.

SEC. 7. Section 2854 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 2855 of the Revenue and Taxation Code is amended to read:

2855. Annually, on or before June 1st, the auditor shall

(a) Compute and enter the delinquent penalties and costs on the secured roll.

(b) Charge the tax collector with the penalties and costs.

(c) Deliver the secured roll duly certified to the tax collector.

SEC. 9. Section 2856 of the Revenue and Taxation Code is amended to read:

2856. Annually, on or before August 10th, the tax collector shall make a collections report on the secured roll and, if one is prepared, the delinquent roll, and make it or them available to the auditor for purposes of audit.

SEC. 10. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

CHAPTER 143

An act to add Section 7276 to the Government Code, relating to eminent domain relocation assistance.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 7276 is added to the Government Code, to read:

7276. (a) If a resolution is adopted under Section 1245.330 of the Code of Civil Procedure consenting to the acquisition of property by eminent domain and the person authorized by such resolution to acquire the property by eminent domain acquires the property by purchase, eminent domain, or otherwise, such person shall provide relocation advisory assistance and shall make any of the payments required to be made by public entities pursuant to the provisions of this chapter in conformity with this chapter and the guidelines adopted by the Commission of Housing and Community Development pursuant to Section 7268.

(b) To the extent they can be applied, the rules and regulations of the Department of Transportation set forth in Subchapter 3 (commencing with Section 1407.01) of Chapter 2 of Title 21 of the California Administrative Code, shall be used to implement payments and to administer relocation assistance required by this section.

(c) This section does not apply to public utilities which are subject to the provisions of Article 6 (commencing with Section 600) of

Chapter 3 of Part 1 of Division 1 of the Public Utilities Code or to public entities which are subject to the provisions of this chapter.

CHAPTER 144

An act to amend Sections 1138 and 1215.1 of, and to add Article 4 (commencing with Section 1139.10) to Chapter 19 of Division 3 of, the Probate Code, relating to trusts.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976]

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

SECTION 1. Section 1138 of the Probate Code is amended to read:

1138. (a) As used in this article, "trust" means a written voluntary express trust, with additions thereto, whether created by will or other than by will which is entirely administered or to be entirely administered in this state.

(b) As used in this article, "trust" does not mean a trust subject to court supervision under Article 1 (commencing with Section 1120) of this chapter, a Totten trust, a business trust which is taxed as a partnership or corporation, an investment trust subject to regulation under the laws of this state or any other jurisdiction, a common trust fund, a voting trust, a deed of trust, a transfer in trust for purpose of suit or enforcement of a claim or right, a trust for the primary purpose of paying debts, dividends, interest, salaries, wages, pensions, or employee benefits of any kind, an arrangement under which a person is a nominee or escrow holder for another, a trust subject to supervision of the Attorney General under Article 7 (commencing with Section 12580) of Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code during the period when no private beneficiary or remainderman has or may claim an interest therein, nor a trust declared exempt from supervision under Section 12583 of the Government Code.

SEC. 2. Article 4 (commencing with Section 1139.10) is added to Chapter 19 of Division 3 of the Probate Code, to read:

Article 4. Transfer From Another Jurisdiction

1139.10. (a) This article applies to any written voluntary express trust or portion thereof, whether created by will or otherwise, administered in another jurisdiction outside of this state.

(b) This article shall not be construed to prevent transfer of place of administration of a trust or of trust assets to this state from another jurisdiction in any case where judicial approval of the transfer was not required under the law in effect immediately prior to the

effective date of this article.

1139.11. Subject to the limitations and requirements of this article, an order may be made by the superior court accepting the transfer of the place of administration of a trust from another jurisdiction to this state or the transfer of some or all of the assets of a trust in another jurisdiction to a trustee in this state.

1139.12. A petition for an order accepting a transfer may be filed by the trustee or by a beneficiary of the trust.

1139.13. (a) If the petition requests that a resident of this state be appointed trustee, the petition shall be filed in the superior court of the county where the proposed "principal place of administration of the trust" (as defined by Section 1138.3 of the Probate Code) is located.

(b) If the petition requests that only a nonresident of this state be appointed trustee, the petition shall be filed in the superior court of the county where either (1) any beneficiary of the trust resides or (2) a substantial portion of the trust assets to be transferred are located or will be located.

1139.14. The petition shall be verified and shall set forth:

(a) The names, ages, and places of residence of:

(1) The trustee administering the trust in the other jurisdiction.

(2) The proposed trustee to whom administration of the trust or such trust assets will be transferred.

(3) All persons who are interested in the trust as beneficiaries as far as known to petitioner.

(b) Whether the trust has been subject to supervision over administration in another jurisdiction outside of California. If so, whether a petition or appropriate request for transfer of place of administration of the trust or such trust assets to this state has been filed, if necessary, with the court in the other jurisdiction and the status of such petition or request.

(c) Whether the trustee proposed to administer the trust in this state has agreed to accept the trust in this state. If he has, the acceptance shall be attached as an exhibit to the petition or otherwise filed with the court.

(d) A general statement of the qualifications of the trustee proposed to administer the trust in this state and the amount of fiduciary bond to be requested, if any.

(e) A copy of the trust instrument or a statement of the terms of the trust instrument in effect at the time the petition is filed, including all amendments thereto.

(f) A statement of the character, condition, location, and value of the property comprising the assets sought to be transferred.

(g) A statement of the reasons for the transfer.

1139.15. (a) Upon the filing of the petition, the clerk shall set the petition for hearing and shall give notice of the hearing as provided in Section 1200 at least 30 days before the time set for the hearing. Petitioner, at least 30 days prior to the time set for the hearing, shall

cause to be mailed to each of the persons named in the petition, at their respective places of residence therein stated, a copy of the notice of the hearing.

(b) Any person interested in the trust, either as trustee, beneficiary, or otherwise, may appear and file written grounds in opposition to the petition.

1139.16. The court may, in its discretion, grant the petition and issue an order accepting transfer of place of administration of the trust or trust assets to this state, appoint a trustee to administer the trust in this state, and require the trustee to post appropriate bond, if necessary, if after hearing it appears to the court that:

(a) The transfer of the trust assets to a trustee in this state, or the transfer of place of administration of the trust to this state, will facilitate the economical and convenient administration of the trust and promote the best interests of the trust and those interested therein.

(b) The transfer will not violate the terms of the trust.

(c) The trustee appointed by the court to administer the trust in this state, to whom the trust assets are to be transferred, is qualified, willing, and able to administer the trust or trust assets upon the same trusts.

(d) The proper court in the other jurisdiction has approved the transfer if such approval is necessary under the law of the other jurisdiction.

1139.17. When appropriate to facilitate transfer of the trust assets or the place of administration of a trust to this state, the court may issue a conditional order appointing a trustee to administer the trust in this state and indicating that transfer to this state will be accepted if transfer is approved by the proper court of the other jurisdiction.

1139.18. (a) If the trust transferred to this state pursuant to this article is a written voluntary express trust, including additions thereto, whether created by will or other than by will, and is not one excluded by subdivision (b) of Section 1138, the trust shall be administered in this state in accordance with Article 2.5 (commencing with Section 1138) of Chapter 19 of Division 3. Notwithstanding Section 1138.3, any proceedings under that article with respect to the trust transferred to this state shall be commenced in the superior court of the proper county as described in Section 1139.13.

(b) If the trust transferred to this state pursuant to this article is not one covered by subdivision (a), it shall be administered in the same manner as if the trust had been subject to supervision in this state from the time of its creation.

1139.19. For purposes of this article, "beneficiary" means all persons in being who shall or may participate in the corpus or income of the trust.

SEC. 3. Section 1215.1 of the Probate Code is amended to read:

1215.1. Subject to other provisions of this article, it is a sufficient

compliance with Sections 1120, 1123.5, 1125, 1125.1, 1126, 1138.6, 1139.7, and 1139.15, insofar as they require notice to be given to the beneficiaries of, or persons interested in the trust, or to beneficiaries or remaindermen, including all persons in being who shall or may participate in the corpus or income of the trust, to give notice in the cases hereinafter provided, as follows:

(1) When an interest has been limited on any future contingency to persons who shall compose a certain class upon happening of a certain event without further limitation, notice shall be given to the persons in being who would constitute the class if such event had happened immediately before the commencement of the proceedings.

(2) When an interest has been limited to a living person, and the same interest, or a share therein, has been further limited upon the happening of a future event to the surviving spouse or to persons who are, or may be, the distributees, heirs, issue or other kindred of such living person, notice shall be given to such living person.

(3) Except as otherwise provided in subdivision (2), when an interest has been limited upon the happening of any future event to a person, or a class of persons, or both, and the same interest, or a share of such interest, has been further limited upon the happening of an additional future event to another person, or a class of persons, or both, notice shall be given to the person or persons in being who would take the interest upon the happening of the first such event.

CHAPTER 145

An act to amend Section 512.070 of the Code of Civil Procedure, relating to claim and delivery.

[Approved by Governor May 10, 1976 Filed with Secretary of State May 11, 1976]

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

SECTION 1. Section 512.070 of the Code of Civil Procedure is amended to read:

512.070. If a writ of possession is issued, the court may also issue an order directing the defendant to transfer possession of the property to the plaintiff. Such order shall contain a notice to the defendant that failure to turn over possession of such property to plaintiff may subject the defendant to being held in contempt of court.

CHAPTER 146

An act to amend Sections 26080, 26080.4 and 26081 of, and to add Section 26080.5 to, the Revenue and Taxation Code, relating to interest.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 26080 of the Revenue and Taxation Code, as amended by Chapter 661 of the Statutes of 1975, is amended to read:

26080. Interest shall be allowed and paid upon any overpayment in respect of any tax imposed by this part, at the rate of 12 percent per annum as follows:

(a) In the case of a credit, from the date of the overpayment to the date of the allowance of the credit. Any interest allowed on any credit shall first be credited on any taxes due from the taxpayer under this part.

(b) In the case of a refund, from the date of the overpayment to a date preceding the date of the refund warrant by not more than 30 days, such date to be determined by the Franchise Tax Board.

SEC. 2. Section 26080.4 of the Revenue and Taxation Code is amended to read:

26080.4. The provisions of Section 25663, applicable in determining the period of limitation on credit or refund, shall be applicable in determining the date of payment for purposes of Sections 26080, 26081 and 26107.

SEC. 3. Section 26080.5 is added to the Revenue and Taxation Code, to read:

26080.5. If any overpayment of tax imposed by this part is refunded or credited within 90 days after the return is filed, or within 90 days after the last day prescribed for filing the return of such tax (determined without regard to any extension of time for filing the return), whichever is later, no interest shall be allowed on such overpayment.

SEC. 4. Section 26081 of the Revenue and Taxation Code, as amended by Chapter 661 of the Statutes of 1975, is amended to read:

26081. Credits or refunds of overpayments of estimated tax shall be made by the Franchise Tax Board as provided in this article as respects overpayments of tax. Any amount paid as estimated tax for any taxable year shall be deemed to have been paid on the last day prescribed for filing the return under Section 25401 for such taxable year (determined without regard to any extension of time for filing such return).

SEC. 5. This act shall apply to interest accrued on or after January 1, 1977.

CHAPTER 147

An act to amend Section 830.4 of the Penal Code, relating to peace officers.

[Became law without Governor's signature May 11, 1976.
Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 830.4 of the Penal Code, as amended by Chapter 94 of the Statutes of 1976, is amended to read:

830.4. (a) The following persons are peace officers while engaged in the performance of the duties of their respective employments:

(1) Security officers of the California State Police Division.

(2) The Sergeant at Arms of each house of the Legislature.

(3) Bailiffs of the Supreme Court and of the courts of appeal.

(4) Guards and messengers of the Treasurer's office.

(5) The Director of the Department of Navigation and Ocean Development and employees of such department designated by him pursuant to Section 71.2 of the Harbors and Navigation Code.

(6) Members of a state university or college police department appointed pursuant to Section 24651 of the Education Code.

(7) The hospital administrator of a state hospital under the jurisdiction of the Department of Mental Hygiene or, on or after July 1, 1973, the State Department of Health, and police officers designated by him pursuant to Section 4312 of the Welfare and Institutions Code.

(8) Any railroad or steamboat company policeman commissioned by the Governor pursuant to Section 8226 of the Public Utilities Code.

(9) Persons designated by a cemetery authority pursuant to Section 8325 of the Health and Safety Code.

(10) Harbor policemen regularly employed and paid as such by a county, city, or district, and the port warden and special officers of the Harbor Department of the City of Los Angeles. However, notwithstanding the provisions of Section 171c, 171d, or 12027, such persons are not peace officers for purposes of such sections except when designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, as peace officers for such purposes.

(11) (A) Special officers of the Department of Airports of the City of Los Angeles commissioned by the city police commission.

(B) Any such officer so commissioned on or before July 6, 1973, shall have completed the course of instruction required by Section 832 by September 1, 1973. Any officer so commissioned after July 6, 1973 shall have completed the course of instruction within 60 days after such commissioning. Any person who, within the time

prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(12) The chief of toll services, captains, lieutenants, and sergeants employed by the Department of Transportation on vehicular crossings pursuant to Chapter 13 (commencing with Section 23250) of Division 11 of the Vehicle Code.

(13) Persons employed as members of a security patrol of a school district pursuant to Section 15832 of the Education Code.

(14) Duly authorized federal employees, when they are engaged in enforcing applicable state or local laws on property owned or possessed by the United States government and with the written consent of the sheriff or the chief of police, respectively, in whose jurisdiction such property is situated.

(15) Security guards of the County of Los Angeles.

(16) (A) Persons regularly employed and designated by the Board of Directors of the Monterey Peninsula Airport District as airport policemen.

(B) Any such person employed on or before July 6, 1973, shall have completed the course of instruction required by Section 832 by September 1, 1973. Any person so employed after July 6, 1973, shall have completed the course of instruction within 60 days after such employment. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(17) Any person regularly employed as an airport security officer by any airport operated by the City and County of San Francisco, Orange County, or the County of San Joaquin if he meets the following requirements:

(A) If employed by the City and County of San Francisco or Orange County on or before July 6, 1973, he shall have completed the course of instruction required by Section 832 by September 1, 1973, or if employed after July 6, 1973, he shall have completed such course of instruction within 60 days after such employment. If employed by the County of San Joaquin on or before September 25, 1973, he shall have completed the course of instruction required by Section 832 by December 1, 1973; or if employed after September 25, 1973, he shall have completed such course of instruction within 60 days after such employment. Any person who, within the time prescribed by this

paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(B) He shall be commissioned as a peace officer by the police commission or the board of supervisors of the city and county, or county, as the case may be, operating the airport.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(D) In the case of any person regularly employed as an airport security officer by any such airport located in the County of San Mateo, he shall either be deputized by, or have the written consent of, the Sheriff of San Mateo County.

(18) Housing authority patrol officers employed by the City of Los Angeles or by the Housing Authority of the County of Contra Costa or by the Housing Authority of the County of Los Angeles.

(19) (A) Persons regularly employed and designated by the City of Fresno as airport security officers for the Fresno Air Terminal.

(B) Before exercising the powers of a peace officer, all persons so employed shall have satisfactorily completed the course of instruction so required by Sections 832 and 832.1.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(b) The authority of any such peace officer extends to any place in the state as to a public offense committed or which there is probable cause to believe has been committed with respect to persons or property the protection of which is the immediate duty of such officer.

SEC. 2. Section 830.4 of the Penal Code, as amended by Chapter 94 of the Statutes of 1976, is amended to read:

830.4. (a) The following persons are peace officers while engaged in the performance of the duties of their respective employments:

(1) Security officers of the California State Police Division.

(2) The Sergeant at Arms of each house of the Legislature.

(3) Bailiffs of the Supreme Court and of the courts of appeal.

(4) Guards and messengers of the Treasurer's office.

(5) The Director of the Department of Navigation and Ocean Development and employees of such department designated by him pursuant to Section 71.2 of the Harbors and Navigation Code.

(6) Members of a state university or college police department appointed pursuant to Section 24651 of the Education Code.

(7) The hospital administrator of a state hospital under the jurisdiction of the Department of Mental Hygiene or, on or after July 1, 1973, the State Department of Health, and police officers

designated by him pursuant to Section 4312 of the Welfare and Institutions Code.

(8) Any railroad or steamboat company policeman commissioned by the Governor pursuant to Section 8226 of the Public Utilities Code.

(9) Persons designated by a cemetery authority pursuant to Section 8325 of the Health and Safety Code.

(10) Harbor policemen regularly employed and paid as such by a county, city, or district, and the port warden and special officers of the Harbor Department of the City of Los Angeles. However, notwithstanding the provisions of Section 171c, 171d, or 12027, such persons are not peace officers for purposes of such sections except when designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, as peace officers for such purposes.

(11) (A) Special officers of the Department of Airports of the City of Los Angeles commissioned by the city police commission.

(B) Any such officer so commissioned on or before July 6, 1973, shall have completed the course of instruction required by Section 832 by September 1, 1973. Any officer so commissioned after July 6, 1973 shall have completed the course of instruction within 60 days after such commissioning. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(12) The chief of toll services, captains, lieutenants, and sergeants employed by the Department of Transportation on vehicular crossings pursuant to Chapter 13 (commencing with Section 23250) of Division 11 of the Vehicle Code.

(13) Persons employed as members of a security patrol of a school district pursuant to Section 15832 of the Education Code.

(14) Duly authorized federal employees, when they are engaged in enforcing applicable state or local laws on property owned or possessed by the United States government and with the written consent of the sheriff or the chief of police, respectively, in whose jurisdiction such property is situated.

(15) Security guards of the County of Los Angeles.

(16) (A) Persons regularly employed and designated by the Board of Directors of the Monterey Peninsula Airport District as airport policemen.

(B) Any such person employed on or before July 6, 1973, shall have completed the course of instruction required by Section 832 by September 1, 1973. Any person so employed after July 6, 1973, shall have completed the course of instruction within 60 days after such

employment. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(17) Any person regularly employed as an airport security officer by any airport operated by the City and County of San Francisco, Orange County, or the County of San Joaquin if he meets the following requirements:

(A) If employed by the City and County of San Francisco or Orange County on or before July 6, 1973, he shall have completed the course of instruction required by Section 832 by September 1, 1973, or if employed after July 6, 1973, he shall have completed such course of instruction within 60 days after such employment. If employed by the County of San Joaquin on or before September 25, 1973, he shall have completed the course of instruction required by Section 832 by December 1, 1973; or if employed after September 25, 1973, he shall have completed such course of instruction within 60 days after such employment. Any person who, within the time prescribed by this paragraph for such person, does not satisfactorily complete the course of instruction required by Section 832, shall not have the powers of a peace officer thereafter.

(B) He shall be commissioned as a peace officer by the police commission or the board of supervisors of the city and county, or county, as the case may be, operating the airport.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(D) In the case of any person regularly employed as an airport security officer by any such airport located in the County of San Mateo, he shall either be deputized by, or have the written consent of, the Sheriff of San Mateo County.

(18) Housing authority patrol officers employed by the City of Los Angeles or by the Housing Authority of the County of Contra Costa. or by the Housing Authority of the County of Los Angeles.

(19) (A) Persons regularly employed and designated by the City of Fresno as airport security officers for the Fresno Air Terminal.

(B) Before exercising the powers of a peace officer, all persons so employed shall have satisfactorily completed the course of instruction so required by Sections 832 and 832.1.

(C) Notwithstanding subdivision (b), the authority of such airport security officers shall not extend beyond the territory of the airport boundaries, except when in pursuit of any offender or suspected offender.

(20) Security officers of the Veterans' Home of California at Yountville who are designated as peace officers by the Administrator of the Veterans' Home of California.

(b) The authority of any such peace officer extends to any place in the state as to a public offense committed or which there is probable cause to believe has been committed with respect to persons or property the protection of which is the immediate duty of such officer.

SEC. 3. It is the intent of the Legislature that the changes effected by this act shall serve only to define peace officers, the extent of their jurisdiction, and the nature and scope of their authority, powers, and duties; and that there be no change in the status of individual peace officers or classes of peace officers for purposes of retirement, worker's compensation or similar injury or death benefits, or other employee benefits.

SEC. 4. It is the intent of the Legislature, if this bill and Senate Bill No. 1436 are both chaptered and become effective January 1, 1977, both bills amend Section 830.4 of the Penal Code, and this bill is chaptered after Senate Bill No. 1436, that the amendments to Section 830.4 proposed by both bills be given effect and incorporated in Section 830.4 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Senate Bill No. 1436 are both chaptered and become effective January 1, 1977, both amend Section 830.4, and this bill is chaptered after Senate Bill No. 1436, in which case Section 1 of this act shall not become operative.

CHAPTER 148

An act to amend Section 1484 of the Health and Safety Code, relating to paramedics, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 1484 of the Health and Safety Code is amended to read:

1484. This article shall remain in effect only until December 31, 1977, and shall have no force or effect after that date.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government

entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect.

The facts constituting such necessity are:

Unless extended by enactment of an urgency statute, the Wedworth-Townsend Paramedic Act will cease to be effective July 1, 1976.

CHAPTER 149

An act to amend Section 13141 of the Water Code, relating to the California Water Plan.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 13141 of the Water Code is amended to read:

13141. State policy for water quality control adopted or revised in accordance with the provisions of this article, and regional water quality control plans approved or revised in accordance with Section 13245, shall become a part of the California Water Plan effective when such state policy for water quality control, and such regional water quality control plans have been reported to the Legislature at any session thereof.

However, prior to implementation of any agricultural water quality control program, an estimate of the total cost of such a program, together with an identification of potential sources of financing, shall be indicated in any regional water quality control plan.

CHAPTER 150

An act to amend Sections 13986, 17081, 17082, 17083, 17111, 17135, 17263, 17304, 17819, 17820, 18691.1, and 19051 of the Revenue and Taxation Code, relating to sex equality in taxation matters.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976 |

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

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SECTION 1. Section 13986 of the Revenue and Taxation Code is amended to read:

13986. The funeral and last illness expenses of a decedent are deductible from the appraised value of property included in any transfer subject to this part made by the decedent.

SEC. 2. Section 17081 of the Revenue and Taxation Code is amended to read:

17081. (a) If under a decree of dissolution or of separate maintenance, one spouse is to make periodic payments to the other spouse, the gross income of the spouse receiving such payment shall include such payments (whether or not made at regular intervals) received after such decree in discharge of (or attributable to property transferred, in trust or otherwise, in discharge of) a legal obligation which, because of the marital or family relationship, is imposed on or incurred by the other spouse under the decree or under a written instrument incident to such divorce or separation.

(b) If the spouses are separated, and there is a written separation agreement executed after August 16, 1954, the gross income of the spouse receiving payment under the decree shall include periodic payments (whether or not made at regular intervals) received after such agreement is executed which are made under such agreement and because of the marital or family relationship (or which are attributable to property transferred, in trust or otherwise, under such agreement and because of such relationship). This subsection shall not apply if the husband and wife make a single return jointly.

(c) If married person is separated from his or her spouse, periodic payments (whether or not made at regular intervals) received by one spouse from the other spouse under a decree entered after March 1, 1954, requiring such spouse to make the payments for his or her support or maintenance shall be included in gross income. This subsection shall not apply if the husband and wife make a single return jointly.

SEC. 3. Section 17082 of the Revenue and Taxation Code is amended to read:

17082. Section 17081 shall not apply to that part of any payment which the terms of the decree, instrument, or agreement fix, in terms of an amount of money or a part of the payment, as a sum which is payable for the support of minor children of the spouse making payments under such decree. For purposes of the preceding sentence, if any payment is less than the amount specified in the decree, instrument, or agreement, then so much of such payment as does not exceed the sum payable for support shall be considered a payment for such support.

SEC. 4. Section 17083 of the Revenue and Taxation Code is amended to read:

17083. (a) (1) For purposes of Section 17081, installment payments discharging a part of an obligation the principal sum of which is, either in terms of money or property, specified in the

decree, instrument, or agreement shall not be treated as periodic payments.

(2) If, by the terms of the decree, instrument, or agreement, the principal sum referred to in paragraph (1) is to be paid or may be paid over a period ending more than 10 years from the date of such decree, instrument or agreement, then (notwithstanding subsection (a)) the installment payments shall be treated as periodic payments for purposes of Section 17081, but (in the case of any one taxable year of the spouse receiving payment under such decree) only to the extent of 10 percent of the principal sum. For purposes of the preceding sentence, the part of any principal sum which is allocable to a period after the taxable year of the spouse receiving payment under such decree in which it is received shall be treated as an installment payment for the taxable year in which it is received.

(b) The gross income of the spouse making payments under such decree does not include amounts received which, under Section 17081, are (1) includable in the gross income of the other spouse; and (2) attributable to transferred property.

SEC. 5. Section 17111 of the Revenue and Taxation Code is amended to read:

17111. Sections 17101 to 17112, inclusive, shall not apply to so much of any payment under an annuity, endowment, or life insurance contract (or any interest therein) as is includable in the gross income of the spouse receiving payment under terms of a decree of dissolution or of separate maintenance under Sections 17081, 17082, and 17083 or Sections 17819 and 17820 (relating to income of an estate or trust in case of dissolution, etc.).

SEC. 6. Section 17135 of the Revenue and Taxation Code is amended to read:

17135. Sections 17131 to 17134, inclusive, shall not apply to so much of any payment as is includable in the gross income of the spouse receiving payment under terms of a decree of dissolution or of separate maintenance under Sections 17081, 17082, and 17083 (relating to spousal support) or Sections 17819 and 17820 (relating to income of an estate or trust in case of dissolution, etc.).

SEC. 7. Section 17263 of the Revenue and Taxation Code is amended to read:

17263. In the case of a spouse making periodic payments to the other spouse, as described in Section 17081, there shall be allowed as a deduction amounts includable under Section 17081 in the gross income of the other spouse, payment of which is made within such spouse's taxable year. No deduction shall be allowed under the preceding sentence with respect to any payment if, by reason of Section 17083, 17819 or 17820, the amount thereof is not includable in the gross income of the spouse making payments under the decree.

SEC. 8. Section 17304 of the Revenue and Taxation Code is amended to read:

17304. The deduction provided by Section 17263, relating to spousal support or separate maintenance payments, shall not be allowed to a nonresident spouse.

SEC. 9. Section 17819 of the Revenue and Taxation Code is amended to read:

17819. There shall be included in the gross income of a spouse who is divorced or legally separated under a decree of dissolution or of separate maintenance (or who is separated from his or her spouse under a written separation agreement), and who is receiving payments under the decree, the amount of the income of any trust which such spouse is entitled to receive and which, except for this section, would be includable in the gross income of the other spouse, and such amount shall not, despite any other provision of this part, be includable in the gross income of such other spouse. This section shall not apply to that part of any such income of the trust which the terms of the decree, written separation agreement, or trust instrument fix, in terms of an amount of money or a portion of such income, as a sum which is payable for the support of minor children of the spouse making payments under such decree. In case such income is less than the amount specified in the decree, agreement or instrument, for the purpose of applying the preceding sentence, such income to the extent of such sum payable for such support, shall be considered a payment for such support.

SEC. 10. Section 17820 of the Revenue and Taxation Code is amended to read:

17820. For purposes of computing the taxable income of the estate or trust and the taxable income of a spouse receiving payments under a decree to whom Section 17819 or Section 17081 applies, such spouse shall be considered as the beneficiary specified in this article. A periodic payment under Section 17081 to any portion of which this part applies shall be included in the gross income of the beneficiary in the taxable year in which under this part such portion is required to be included.

SEC. 11. Section 18691.1 of the Government Code is amended to read:

18691.1. (a) When the correction of an erroneous inclusion or deduction of an item or items in the computation of income of a trust, estate, parent, husband, or wife for any year results in an overpayment for such year by said trust, estate, parent, husband, or wife, and also results in a deficiency for the same year for a grantor of such trust or beneficiary of such estate or trust, or child of such parent, or spouse of such child, or the spouse of said husband or wife, the overpayment, if the period within which credit for the overpayment may be allowed has not expired, shall be credited on the deficiency, if the period within which the deficiency may be proposed has not expired, and the balance, if any, shall be credited or refunded. No interest shall be assessed on such portion of the deficiency as is extinguished by the credit for the period of time

subsequent to the date the overpayment was made.

(b) When the correction of an erroneous inclusion or deduction of an item or items in the computation of income of a grantor of a trust, beneficiary of an estate or trust, a child, or spouse of such child, or a husband or wife for any year results in an overpayment for such year by said grantor, beneficiary, child or husband or wife, and also results in a deficiency for the same year for the grantor's or beneficiary's trust, the beneficiary's estate, the child's parent, or spouse of such child, or the beneficiary's spouse, the overpayment, if the period within which credit for the overpayment may be allowed has not expired, shall be credited on the deficiency, if the period within which the deficiency may be proposed has not expired, and the balance, if any, shall be credited or refunded. No interest shall be assessed on such portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

(c) Paragraphs (a) and (b) are not intended, nor shall they be construed as a limitation on the Franchise Tax Board's right to offset or recoup barred assessments against overpayments.

SEC. 12. Section 19051 of the Revenue and Taxation Code is amended to read:

19051. If the Franchise Tax Board or the board, as the case may be, finds that there has been an overpayment of tax, penalty, or interest by a taxpayer for any year for any reason, the amount of the overpayment shall be credited against any taxes then due from the taxpayer under this part and the balance refunded to the taxpayer.

In the case of a joint return filed under Section 18402, the amount of the overpayment shall be credited against taxes then due from both taxpayers and the balance shall be refunded to both taxpayers in the names under which the return was paid.

CHAPTER 151

An act to amend Sections 27803, 27804, 27805, 27901, 27902, 27902.1, 27952, and 27953 of, to amend the heading of Article 4 (commencing with Section 27901) of Chapter 5 of Division 20 of, to repeal Section 27903 of, and to add Section 27903 to, the Education Code, relating to library district elections.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 27803 of the Education Code is amended to read:

27803. The trustees shall hold office for the term of four years beginning on the first day of April next succeeding their

appointment or election. In any existing district the term of office of the trustees expiring prior to the first election to be held in an odd-numbered year shall continue until his successor in office is duly elected in such election.

For purposes of implementing the changes in the dates of election and in the dates of the commencement and termination of the terms of office of the trustees effected by the Legislature at the 1975–76 Regular Session, trustees whose terms are expiring in January 1977, shall continue to serve in the offices involved until March 31, 1977. For such purposes, also, the term of office of any trustee otherwise expiring under the prior law after March 31, 1977, shall expire on March 31, 1977. All of the offices shall be filled by election conducted pursuant to Section 27901 in 1977. Thereafter, the newly elected trustees shall classify themselves, in the manner specified in Section 27804.

SEC. 2. Section 27804 of the Education Code is amended to read:

27804. The first board of library trustees appointed or elected in a district shall at their first meeting so classify themselves by lot that their terms shall expire: one on the 31st day of March of the first odd-numbered calendar year next succeeding his appointment or election, and two on the 31st day of March of the second succeeding odd-numbered calendar year.

SEC. 3. Section 27805 of the Education Code is amended to read:

27805. At its first meeting called after the original appointment of the board, and annually thereafter at its first meeting called after the first day of April in odd-numbered years, the board shall organize by electing one of its number president, and another one of its number secretary. They shall serve as such for one year or until their successors are elected and qualified.

SEC. 4. The heading of Article 4 (commencing with Section 27901) of Chapter 5 of Division 20 of the Education Code is amended to read:

Article 4. Biennial Election of Trustees

SEC. 5. Section 27901 of the Education Code is amended to read:

27901. An election shall be held biennially in each library district for the election of one or more library trustees who shall hold office for four years beginning on the first day of April next succeeding his election. This election shall be held in the district on the same day as the school district election as specified in Section 1111 in the odd-numbered years. Trustees shall be nominated in the manner prescribed in Section 1114.

SEC. 6. Section 27902 of the Education Code is amended to read:

27902. To be qualified to vote at any library district election a person shall be a resident of the library district, a qualified elector of the county, and shall be registered in the district in which the election is held at least 30 days before the election.

SEC. 7. Section 27902.1 of the Education Code is amended to read:

27902.1. If on the 50th day prior to an election one person only has been nominated for each of the positions of trustee to be filled at that election, or no person has been nominated for any such position, and a petition signed by 5 percent of the registered voters requesting that the election be held has not been presented to the board, an election shall not be held.

SEC. 8. Section 27903 of the Education Code is repealed.

SEC. 9. Section 27903 is added to the Education Code, to read:

27903. Except as otherwise provided in this article, Chapter 6 (commencing with Section 1301) of Division 4 shall govern and control the conduct of elections pursuant to this chapter.

SEC. 10. Section 27952 of the Education Code is amended to read:

27952. The bond election shall be called and conducted and the results thereof canvassed, returned, and declared in the manner provided in Chapter 6 (commencing with Section 1301) of Division 4.

SEC. 11. Section 27953 of the Education Code is amended to read:

27953. The board of trustees shall set forth in the resolution calling for a bond election the amount and denomination of the bonds, the rate of interest, and the number of years that all or any part of the bonds are to run.

CHAPTER 152

An act to amend Sections 108, 11890, and 11895 of, and to repeal Section 108.5 of, the Insurance Code, relating to medical malpractice insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1976 Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 108 of the Insurance Code is amended to read:

108. Liability insurance includes:

(a) Insurance against loss resulting from liability for injury, fatal or nonfatal, suffered by any natural person, or resulting from liability for damage to property, or property interests of others but does not include worker's compensation, common carrier liability, boiler and machinery, or team and vehicle insurance.

(b) (1) With respect to operations or property covered by a policy of liability insurance as defined in subdivision (a), insurance

of medical, hospital, surgical and funeral loss or expense of the insured or other persons injured, and in the case of an automobile liability policy disability benefits to the insured or other persons injured and in the event of their death, funeral and accidental death benefits to their dependents, beneficiaries or personal representatives irrespective of legal liability of the insured, when issued with or supplemental to the insurance defined in subdivision (a);

(2) When issued with or supplemental to the insurance defined in subdivision (a), disability insurance covering the insured and members of his household, or other persons who customarily operate any automobile covered by such a policy and who are named in such policy; and such disability insurance may cover against accidental injury, death or dismemberment caused by any or all hazards as defined in such coverage;

(c) Insurance covering injuries sustained by an insured resulting from a tort committed by a third party against which such third party is not himself covered by liability insurance;

(d) Insurance coverage against the legal liability of the insured, and against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering professional services by any person who holds a certificate or license issued pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, a license issued pursuant to the Osteopathic Initiative Act, or license as a community clinic defined in subdivision (a) of Section 1203 of the Health and Safety Code, or a license as a health facility pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.

(e) The provisions of this code relating to disability insurance do not apply to insurance defined in this section.

SEC. 2. Section 108.5 of the Insurance Code is repealed.

SEC. 3. Section 11890 of the Insurance Code is amended to read:

11890. As used in this article:

(1) "Association" means the Joint Underwriting Association established pursuant to the provisions of this chapter.

(2) "Medical malpractice insurance" means insurance coverage against the legal liability of the insured and against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering professional service by any licensee.

(3) "Net direct premiums" mean gross direct premiums written on liability insurance in this state, including the liability portion of the multiperil policies and of automobile insurance policies, less return premiums and any surplus premium deposits. "Net direct premiums" shall not mean any reinsurance premiums or premiums for ocean marine insurance.

(4) "Commissioner" means the Insurance Commissioner.

(5) "Licensee" means any person licensed under the State Medical Practice Act, Dental Practice Act, Registered Nursing Practice Act as defined in Chapter 6 of the Business and Professions Code, or Chiropractic Initiative Act, any community clinic defined in subdivision (a) of Section 1203 of the Health and Safety Code, and any health care facility as defined in Section 1250 of the Health and Safety Code.

(6) "Dividends" are excess policyholder funds which are not needed to pay losses or expenses and which are released to the policyholder.

SEC. 4. Section 11895 of the Insurance Code is amended to read:

11895. (a) A temporary Joint Underwriting Association is hereby created consisting of all those insurers authorized to write and engaged in writing within this state on a direct basis, liability insurance including the liability portion of multiperil policies and of automobile insurance policies but not of ocean marine insurance. Every such insurer shall be a member of the association and shall remain a member as a condition of its authority to continue to transact such kind of insurance in this state.

(b) The association shall be the exclusive agency through which medical malpractice insurance may be written on a primary basis for licensees in any region in this state, or a special class of licensees identified by the commissioner, and shall operate on a nonprofit basis. The association may operate in any such region only upon a finding by the commissioner, after public hearing, that medical malpractice insurance is not substantially available to physicians through private insurers in any geographic region defined by him, or upon a finding by the commissioner that the premiums being charged for medical malpractice insurance in any such region are so high as to have caused or threatened to cause in the immediate future a significant unavailability of needed health care service to the residents of such region, or upon a finding by the commissioner that some insured licensees are unable to renew outstanding policies of medical malpractice insurance by virtue of an order prohibiting such renewal by an insurer and that said licensees are not reasonably able to obtain needed insurance coverage through normal channels. Thereafter, if the commissioner determines, upon application of any interested party and after public hearing, that medical malpractice insurance is available through private insurers in any such region with respect to which he has previously made such finding, the association shall thereupon cease its underwriting operations. Notwithstanding anything to the contrary contained in this code, any licensed health care facility may, but need not, include physicians as additional insureds on any liability insurance contracts held by the facility.

(c) Nothing contained in this chapter shall prohibit (1) any insurer from issuing or renewing any policy of medical malpractice insurance in this state; provided, however, that upon a determination

by the commissioner, after public hearing, that substantial adverse selection within any geographical region designated by him against the association has, or will likely, result, the commissioner may issue an order to insurers operating in such region that no original policies shall thereafter be issued or that renewal policies shall be issued only if the insurer will offer such insurance to a representative sample of rating classifications, or both. Each insurer issuing or renewing policies within the region specified in such order shall submit to the commissioner, on a quarterly basis, the number of its insureds in each of its rating classifications in such region, together with such other information as the commissioner may require. Such data shall be provided in such manner and within such times as the commissioner shall establish. The commissioner shall, within 30 days after receipt thereof, make a determination as to the compliance with this subdivision by the filer. The commissioner shall be entitled to inspect at any time a list of each insurer's insureds, grouped according to their rating classifications; or (2) any insurer from issuing or renewing any policy of medical malpractice insurance to any physician and surgeon who specializes in psychiatric medicine.

(d) In order to insure compliance with subdivision (c), the commissioner shall be entitled to inspect at any time a list of each insurer's insureds, grouped according to their rating classifications.

(e) For purposes of subdivision (b), a "special class of licensees" shall mean only a community clinic defined in subdivision (a) of Section 1203 of the Health and Safety Code.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution, and shall go into immediate effect. The facts constituting such necessity are:

Because of the current medical malpractice "crisis," this act must take effect immediately.

CHAPTER 153

An act to amend Section 13100 of the Fish and Game Code, relating to fish and game.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 13100 of the Fish and Game Code is amended to read:

13100. The one-half of the amounts paid to the county treasurer pursuant to Section 13003 shall be deposited in a county fish and game propagation fund and expended for the propagation and conservation of fish and game, or both, within or outside the county,

under the direction of the board of supervisors. The board of supervisors may also expend such funds for educational and youth activities relating to fish and game.

CHAPTER 154

An act to amend Sections 5201, 24600, 24603, and 24607 of the Vehicle Code, relating to vehicles.

[Approved by Governor May 10, 1976 Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 5201 of the Vehicle Code is amended to read:

5201. License plates shall at all times be securely fastened to the vehicle for which they are issued so as to prevent the plates from swinging and shall be mounted in a position to be clearly visible, and shall be maintained in a condition so as to be clearly legible. The rear license plate shall be mounted not less than 12 inches nor more than 60 inches from the ground, and the front license plate shall be mounted not more than 60 inches from the ground, except that the rear license plate on a tow car may be mounted on the left-hand side of the mast assembly at the rear of the cab of the vehicle, not less than 12 inches nor more than 90 inches from the ground. No covering shall be used on license plates.

SEC. 2. Section 24600 of the Vehicle Code is amended to read:

24600. During darkness every motor vehicle which is not in combination with any other vehicle and every vehicle at the end of a combination of vehicles shall be equipped with lighted taillamps mounted on the rear as follows:

(a) Every such vehicle shall be equipped with one or more taillamps.

(b) Every such vehicle, other than a motorcycle, manufactured and first registered on or after January 1, 1958, shall be equipped with not less than two taillamps, except that trailers and semitrailers manufactured after July 23, 1973, which are less than 30 inches wide, may be equipped with one taillamp which shall be mounted at or near the vertical centerline of the vehicles. If such a vehicle is equipped with two taillamps, they shall be mounted as specified in subdivision (d).

(c) Every such vehicle or vehicle at the end of a combination of vehicles, subject to subdivision (a) of Section 22406 shall be equipped with not less than two taillamps.

(d) When two taillamps are required, at least one shall be mounted at the left and one at the right side respectively at the same level.

(e) Taillamps shall be red in color and shall be plainly visible from all distances within 500 feet to the rear except that taillamps on vehicles manufactured after January 1, 1969, shall be plainly visible from all distances within 1,000 feet to the rear.

(f) Taillamps on vehicles manufactured on or after January 1, 1969, shall be mounted not lower than 15 inches nor higher than 72 inches, except that a tow car, in addition to being equipped with the required taillamps, may also be equipped with two taillamps which may be mounted not lower than 15 inches nor higher than the maximum allowable vehicle height and as far forward as the rearmost portion of the driver's seat in the rearmost position. Such additional taillamps on a tow car shall be lighted whenever the headlamps are lighted.

SEC. 3. Section 24603 of the Vehicle Code is amended to read:

24603. Every motor vehicle which is not in combination with any other vehicle and every vehicle at the end of a combination of vehicles shall at all times be equipped with stoplamps mounted on the rear as follows:

(a) Every such vehicle shall be equipped with one or more stoplamps.

(b) Every such vehicle, other than a motorcycle, manufactured and first registered on or after January 1, 1958, shall be equipped with two stoplamps, except that trailers and semitrailers manufactured after July 23, 1973, which are less than 30 inches wide, may be equipped with one stoplamp which shall be mounted at or near the vertical centerline of the trailer. If such vehicle is equipped with two stoplamps, they shall be mounted as specified in subdivision (d).

(c) Stoplamps on vehicles manufactured on or after January 1, 1969, shall be mounted not lower than 15 inches nor higher than 72 inches except that a tow car, in addition to being equipped with the required stoplamps, may also be equipped with two stoplamps which may be mounted not lower than 15 inches nor higher than the maximum allowable vehicle height and as far forward as the rearmost portion of the driver's seat in the rearmost position.

(d) Where two stoplamps are required, at least one shall be mounted at the left and one at the right side, respectively, at the same level.

(e) Stoplamps shall emit a red or amber light and shall be plainly visible and understandable from a distance of 300 feet to the rear both during normal sunlight and at nighttime, except that stoplamps on a vehicle of a size required to be equipped with clearance lamps shall be visible from a distance of 500 feet during such times.

(f) Stoplamps shall be actuated upon application of the service (foot) brake and the hand control head for air, vacuum, or electric brakes. In addition, all stoplamps may be activated by a mechanical device designed to function only upon sudden release of the accelerator while the vehicle is in motion. Such mechanical device shall be approved by, and comply with specifications and regulations

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established by, the department.

(g) Any vehicle may be equipped with supplemental stoplamps mounted to the rear of the rearmost portion of the driver's seat in its rearmost position in addition to the lamps required to be mounted on the rear of the vehicle. The supplemental stoplamp on that side of a vehicle toward which a turn will be made may flash as part of the supplemental turn signal lamp.

SEC. 4. Section 24607 of the Vehicle Code is amended to read:

24607. Every vehicle subject to registration under this code shall at all times be equipped with red reflectors mounted on the rear as follows:

(a) Every vehicle shall be equipped with at least one reflector so maintained as to be plainly visible at night from all distances within 350 to 100 feet from the vehicle when directly in front of the lawful upper headlamp beams.

(b) Every vehicle, other than a motorcycle, manufactured and first registered on or after January 1, 1965, shall be equipped with at least two reflectors meeting the visibility requirements of subdivision (a), except that trailers and semitrailers manufactured after July 23, 1973, which are less than 30 inches wide, may be equipped with one reflector which shall be mounted at or near the vertical centerline of the trailer. If such vehicle is equipped with two reflectors, they shall be mounted as specified in subdivision (d).

(c) Every motortruck having an unladen weight of more than 5,000 pounds, every trailer coach, every camp trailer, every vehicle or vehicle at the end of a combination of vehicles subject to subdivision (a) of Section 22406, and every vehicle 80 or more inches in width manufactured on or after January 1, 1969, shall be equipped with at least two reflectors maintained so as to be plainly visible at night from all distances within 600 feet to 100 feet from the vehicle when directly in front of lawful upper headlamp beams.

(d) When more than one reflector is required, at least one shall be mounted at the left side and one at the right side, respectively, at the same level. Required reflectors shall be mounted not lower than 15 inches nor higher than 60 inches, except that a tow car, in addition to being equipped with the required reflectors, may also be equipped with two reflectors which may be mounted not lower than 15 inches nor higher than the maximum allowable vehicle height and as far forward as the rearmost portion of the driver's seat in the rearmost position. Additional reflectors of a type approved by the department may be mounted at any height

(e) Reflectors on truck tractors may be mounted on the rear of the cab. Any reflector installed on a vehicle as part of its original equipment prior to January 1, 1941, need not be of an approved type provided it meets the visibility requirements of subdivision (a).

CHAPTER 155

An act to amend Section 7153 of the Fish and Game Code, relating to fishing.

[Approved by Governor May 10, 1976 Filed with Secretary of State May 11, 1976]

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

SECTION 1. Section 7153 of the Fish and Game Code is amended to read:

7153. (a) A sport fishing license is not required to take fish for any purpose other than profit by means of angling from a public pier in the ocean waters of the state.

(b) For purposes of this section, "ocean waters" include, but are not limited to, the open waters adjacent to the ocean and any island; the waters of any open or enclosed bay contiguous to the ocean; the San Francisco and San Pablo Bays, with any tidal bay belonging thereto; and any slough or estuary, if found between the Golden Gate Bridge and the Benicia-Martinez Bridge.

CHAPTER 156

An act to amend Section 26908 of the Government Code, to amend Sections 531.2, 2191.3, 2195, 3107, 3513, 4104.3, 4836.5, 5096.5, 5096.7, and 5097.2 of, and to add Sections 2191.6 and 4377.1 to, the Revenue and Taxation Code, and to amend Section 26225 of the Water Code, relating to taxation.

[Approved by Governor May 10, 1976 Filed with Secretary of State May 11, 1976]

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

SECTION 1. Section 26908 of the Government Code is amended to read:

26908. Notwithstanding the provisions of Sections 4104.3 and 4104.5 of the Revenue and Taxation Code, the tax collector may, upon order of the board of supervisors, destroy such tax rolls two years after the last current item has been recorded thereon, provided that a photographic record of the tax roll has been made, one copy of which shall be permanently retained.

SEC. 2. Section 531.2 of the Revenue and Taxation Code is amended to read:

531.2. When the property is real property which subsequent to July 1 of the year of escape for purposes of this article, or subsequent to July 1 of the year in which the property should have been lawfully

assessed, for purposes of Article 3 (commencing with Section 501) of this chapter, but prior to the date of such assessment and the showing thereof on the secured roll, with the date of entry specified thereon, has (1) been transferred or conveyed to a bona fide purchaser for value, or (2) becomes subject to a lien of a bona fide encumbrance for value, the escape assessment pursuant to either of such articles shall not create or impose a lien or charge on such real property but shall be entered on the unsecured roll in the name of the person who would have been the assessee in the year in which it escaped assessment and shall thereafter be treated and collected like other taxes on said roll. The tax rate applicable shall be the secured tax rate of the year in which the property escaped assessment.

SEC. 3. Section 2191.3 of the Revenue and Taxation Code is amended to read:

2191.3. Where there is a tax on:

(a) (1) A possessory interest secured only by a lien on such taxed possessory interest, or on

(2) Goods in transit, not secured by any lien on real property, or on

(3) Improvements that have been assessed pursuant to the provisions of Section 2188.2, or on

(4) Unsecured property not secured by a lien on any real property, and such tax has become delinquent; or where a tax has been:

(b) (1) Entered on the unsecured roll pursuant to Section 531.2 of 4836.5 of this code, or

(2) Transferred to the unsecured roll pursuant to Section 4831 of this code:

The tax collector may file for record without fee in the office of the county recorder of any county a certificate specifying the amount of the respective tax due, interest and penalties due, the name and last known address of the assessee liable for the amount, and the fact, if such be the fact, that all provisions of this division in the computation and levy of the tax have been complied with. The procedure authorized by this section is cumulative to the procedure provided by Sections 2914 and 3003.

SEC. 4. Section 2191.6 is added to the Revenue and Taxation Code, to read:

2191.6. Except as otherwise provided in Section 2191.4, the lien resulting from the recording of the certificate pursuant to Section 2191.3 shall be removed and discharged either:

(a) Upon payment of the tax, any applicable penalty and interest, and a recording fee of six dollars ($6) for each release of lien issued for each county in which the certificate was recorded, and upon the recording of a certificate of release or discharge of the lien in the office of the recorder of each county in which the certificate was filed. The recording fee, together with a certificate of release or discharge, shall be transmitted to the county recorder who shall

record the certificate; or

(b) When the tax is legally canceled and a certificate of release or discharge is recorded in the office of the county recorder. A recording under this subdivision shall be made without fee.

SEC. 5. Section 2195 of the Revenue and Taxation Code is amended to read:

2195. After 30 years succeeding the time, heretofore or hereafter, when any tax becomes a lien, if the lien has not been otherwise removed, the lien ceases to exist and the tax is conclusively presumed to be paid. The official having charge of the records of the tax shall mark it "Conclusively presumed paid." Property which has been deeded to the state for nonpayment of taxes is not subject to the provisions of this section.

SEC. 6. Section 3107 of the Revenue and Taxation Code is amended to read:

3107. (a) The judgment is satisfied and the lien removed when, but not before, the certificate of release or discharge from the judgment lien is recorded in the office of the county recorder. In addition to the judgment amount, and any additional penalty authorized by this part, the tax collector shall collect the recording fee of six dollars ($6) and transmit it to the county recorder together with the documents for release or discharge.

(b) The judgment is also satisfied and the lien removed when, but not before the tax is legally canceled and a release or discharge from the judgment lien is recorded in the office of the county recorder. A recording under this subdivision shall be made without fee.

SEC. 7. Section 3513 of the Revenue and Taxation Code is amended to read:

3513. In addition to the usual provisions of a deed conveying real property, the deed shall specify:

(a) The date of sale to the state.

(b) That the property was duly assessed for taxation and the tax legally levied.

(c) The year the property was assessed for taxation and the name of the assessee as shown on the extended roll at the time of sale to the state.

(d) That the property was sold to the state for nonpayment of delinquent taxes which were a lien on the real property.

(e) The amount for which the property was sold to the state unless there has been a partial cancellation of taxes, a redemption from a portion thereof, or a correction under Sections 4831.5 and 4876.5 of this code, in any of which events, the amount shall be the balance remaining.

(f) That five or more years have elapsed since the sale to the state and no person has redeemed the property.

(g) That the property is therefore conveyed to the state according to law.

SEC. 8. Section 4104.3 of the Revenue and Taxation Code is

amended to read:

4104.3. After the settlement under Section 2630, the delinquent roll, or a photographic copy thereof, shall remain on file in the tax collector's office and the auditor shall charge the tax collector with the amount of taxes, penalties and costs unpaid as shown on the delinquent roll.

SEC. 9. Section 4377.1 is added to the Revenue and Taxation Code, to read:

4377.1. Notwithstanding the provisions of Section 4377, upon order of the board of supervisors any delinquent tax roll more than two years old and original secured roll on which it is based containing the information set forth in the abstract list may be destroyed by the county officer or officers in possession of the rolls; except that

(a) No original secured roll for the year 1912 (fiscal year 1912–1913) shall be so destroyed.

(b) A photographic record of the tax roll is made, one copy of which shall be permanently retained by the tax collector.

(c) The abstract list shall first have been certified as correct and complete by the county auditor.

The abstract list prepared under Sections 4371 and 4373, or any photographic record thereof, shall be permanently retained by the tax collector.

SEC. 10. Section 4836.5 of the Revenue and Taxation Code is amended to read:

4836.5. In the event any correction authorized under this article has the effect of increasing the assessment, the board of supervisors shall apply a tax rate to such increase at whatever tax rate was in existence in the year in which the error was made. All increased amounts of taxes shall be entered on the roll prepared or being prepared for the current assessment year and shall thereafter be treated and collected like other taxes on said roll; provided, however, that if the correction affects taxes on the secured roll for any year and subsequent to the entry of the original assessment but prior to the date of such correction the real property on which such taxes constitute a lien has been transferred or conveyed to a bona fide purchaser for value or becomes subject to a bona fide encumbrance for value, such increased amount of taxes shall not create, impose or constitute a lien on such real property shall be entered on the unsecured roll in the name of the assessee at the time the error was made and shall thereafter be treated and collected like other taxes on such roll.

The entry on the unsecured roll shall be followed with "Correction to account or Parcel Number _____ for the 19__–19__ assessment year pursuant to Section(s) _____ of the Revenue and Taxation Code." The foregoing entry may be made on a document separate from the roll if reference is made on the roll to the document wherein the entry is made.

SEC. 11. Section 5096.5 of the Revenue and Taxation Code is

amended to read:

5096.5. On order of the board of supervisors, any taxes paid which were not erroneously or illegally collected under the law as it existed at the time of collection, but for which an exemption is provided by a retroactive constitutional amendment, shall be refunded after compliance with the provisions of this article, except that the claim for refund may be filed at any time within four years after the date such amendment became effective, or the date that this section became effective, whichever is later.

SEC. 12. Section 5096.7 of the Revenue and Taxation Code is amended to read:

5096.7. If taxes have been paid on property acquired by negotiated purchase by any public entity designated in subdivision (b) of Section 4986 after the commencement of the fiscal year for which the taxes are a lien on the property, the portion of such taxes which are allocable to that part of the fiscal year which begins on the date of the acquisition of the property and made uncollectible if unpaid by virtue of Section 4986, shall be deemed erroneously collected and shall be refunded to such person who has paid the tax, where such person was not otherwise reimbursed for such portion of the taxes by the public entity which acquired the property.

Refunds under this section shall be applicable to taxes paid on either the secured or unsecured rolls.

SEC. 13. Section 5097.2 of the Revenue and Taxation Code is amended to read:

5097.2. Notwithstanding the provisions of Sections 5096 and 5097, any taxes paid before or after delinquency may be refunded by the county auditor, within four years after the date of payment, if:

(a) Paid more than once.

(b) The amount paid exceeds the amount due on the property as shown on the roll.

(c) The amount paid exceeds the amount due on the property as the result of corrections to the roll or cancellations ordered by the board of supervisors after such taxes were paid.

(d) In any other case, where the claim for refund is made under penalty of perjury and is for an amount less than ten dollars ($10), with the written consent of the district attorney.

SEC. 14. Section 26225 of the Water Code is amended to read:

26225. Property sold for delinquent assessments may be redeemed within five years from the date of sale, or thereafter before a collector's deed of the property has been delivered, by payment in lawful money of the United States to the collector of the amount for which the property was sold plus a penalty of three-fourths of 1 percent per month from the date of sale until redemption

Where a collector's deed has been delivered to the district, the period of redemption is extended until the first bid is received for the property or until the board determines the property is not to be sold as provided in Section 26290.

If the property is not on the current county tax roll at the time of redemption, the redemptioner shall also pay to the county all taxes, interest, and penalties which would be due the county and any special district, including, but not limited to, any school district, county service area, improvement district, maintenance district, or other governmental entity, for which the county levies and collects taxes, as if the property had continued to be on the county assessment roll, in addition to paying the collector the amount necessary to redeem. The collector shall compute the amount of these taxes and shall base the computation on the valuation furnished him by the county assessor.

If for any reason, the amounts herein required to be paid to the county are not paid at the time of redemption from the district, and if the property has not been sold to the state for delinquent taxes, the county assessor shall assess the property, under the provisions of Article 4 (commencing with Section 531) of Chapter 3 of Part 2 of Division 1 of the Revenue and Taxation Code, as though the property had escaped assessment for each of the years it was not assessed on the county tax roll; provided, however, that the statute of limitations provided for in Section 532 of the Revenue and Taxation Code shall not apply.

SEC. 15. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because there are minor savings as well as minor costs in this act which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 157

An act to amend Sections 9102, 9103, 9203, 9204, 9300, 9301, 9302, 9303, 9304, 9305, 9306, 9307, 9308, and 9309 of, and the chapter heading of Chapter 4 (commencing with Section 9300) of Division 8.5 of, and to add Section 9312 to, the Welfare and Institutions Code, relating to aging, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1976 Filed with Secretary of State May 11, 1976]

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

SECTION 1. Section 9102 of the Welfare and Institutions Code is amended to read:

9102. "Department" means Department of Aging.

SEC. 2. Section 9103 of the Welfare and Institutions Code is amended to read:

9103. "Director" means the Director of the Department of Aging.

SEC. 3. Section 9203 of the Welfare and Institutions Code is amended to read:

9203. The commission may accept gifts and grants from any source, public or private, to assist it in the performance of its functions, and such gifts and grants shall operate to augment any appropriation made for the support of the commission, provided that the office shall serve as the fiscal agent for the accounting of such gifts and grants and that no gifts or grants shall be used for the operation by the commission of direct service programs which would conflict with the department's duties and functions as described in law.

SEC. 4. Section 9204 of the Welfare and Institutions Code is amended to read:

9204. Wherever there is a reference in any statute of this state to the Citizens Advisory Committee on Aging or the California Commission on Aging, it shall be construed to refer to the California Commission on Aging; provided that such reference concerns an advisory or advocacy function, or a function described in Section 9201 of this code. Any other such reference shall be construed to refer to the Department of Aging.

SEC. 5. The chapter heading of Chapter 4 (commencing with Section 9300) of Division 8.5 of the Welfare and Institutions Code is amended to read:

CHAPTER 4. DEPARTMENT OF AGING

SEC. 6. Section 9300 of the Welfare and Institutions Code is amended to read:

9300. There is in the state government in the Health and Welfare Agency, a Department of Aging.

SEC. 7. Section 9301 of the Welfare and Institutions Code is amended to read:

9301. The department consists of a director and such staff as may be necessary for proper administration. The department shall include, but not be limited to, comprehensive program planning and development, information and administrative services, which include intra- and intergovernmental relations, and regional and community development, which includes training services.

The Department of Aging shall maintain its main office in Sacramento.

SEC. 8. Section 9302 of the Welfare and Institutions Code is amended to read:

9302. With the consent of the Senate, the Governor shall appoint, to serve at his pleasure, a Director of the Department of Aging. The director shall be appointed wholly on the basis of training, demonstrated ability, experience and leadership in the field of aging. He shall have the powers of a head of a department pursuant to Chapter 2 (commencing with Section 11150) of Part 1 of Division 3

of Title 2 of the Government Code, and shall receive the salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

Prior to consideration by the Senate of the appointment, the Senate Rules Committee or another committee of the Legislature designated by such committee shall hold public hearings on the qualifications of the Governor's appointee and submit a report to the Senate on findings and recommendations.

SEC. 9. Section 9303 of the Welfare and Institutions Code is amended to read:

9303. The director shall:

(a) Be responsible for the management of the department;

(b) Administer the laws pertaining to the purposes of this division;

(c) With the advice of the commission, formulate, adopt, amend or repeal regulations and general policies affecting the purposes, responsibilities and jurisdiction of the department and which are consistent with law and necessary for the administration of this division;

(d) Assist the commission in the carrying out of its duties;

(e) Perform other duties as may be prescribed by law; and

SEC. 10. Section 9304 of the Welfare and Institutions Code is amended to read:

9304. Subject to the State Civil Service Act, the director shall appoint such assistants and other employees as are necessary for the administration of the affairs of the department and shall prescribe their duties.

SEC. 11. Section 9305 of the Welfare and Institutions Code is amended to read:

9305. The department shall be designated as the single state agency for supervision of all programs under the Older Americans Act as amended, and all programs for the elderly established by federal acts which provide revenue sharing for such programs, and may be designated as the single state agency for supervision of other programs of the federal government relating to the aging which are not the specific responsibility of another state department under the provisions of federal law or which have not been specifically entrusted to another state department by the Legislature.

SEC. 12. Section 9306 of the Welfare and Institutions Code is amended to read:

9306. The duties and powers of the department shall be to:

(a) Provide for the coordination of programs and activities related to the purposes of this division;

(b) Coordinate and assist in the planning and development by public and nonprofit private agencies of programs for older persons, with a view to establishing a statewide network of comprehensive, coordinated services and opportunities for such persons;

(c) Provide technical assistance and consultation to state and local public agencies, voluntary organizations, churches, industry, labor

and other interested persons and organizations with respect to programs for the aging;

(d) Prepare, publish and disseminate materials dealing with the well-being of older persons;

(e) Conduct and arrange for research, gather statistics, hold hearings on and in other ways study all aspects of the problems of aging in order to accomplish the purposes of this division;

(f) Serve as a clearinghouse for information and all aspects of aging—such information to be made available to all interested persons and organizations;

(g) Administer programs and activities as directed by law; and

(h) Take other actions necessary to accomplish the objectives and purposes of this division.

SEC. 13. Section 9307 of the Welfare and Institutions Code is amended to read:

9307. The department shall prepare and render annually a written report of its activities and recommendations to the Governor, Speaker of the Assembly, Senate Rules Committee and the commission for improvements and additions to the existing efforts of state government on behalf of the older persons in California and of the ways the State of California can encourage and promote programs and services by local communities on behalf of older persons.

SEC. 14. Section 9308 of the Welfare and Institutions Code is amended to read:

9308. The department may accept gifts and grants from any source, public or private, to assist it in the performance of its functions, and such gifts and grants shall operate to augment any appropriation made for the support of the department.

SEC. 15. Section 9309 of the Welfare and Institutions Code is amended to read:

9309. No person, while holding the office of member of the commission or its staff or the director of the department or its staff, shall be a trustee, manager, director or other officer or employee of any agency performing any function supervised by the department or the commission, nor shall any member of the commission hold any other office or employment in the department.

SEC. 16. Section 9312 is added to the Welfare and Institutions Code, to read:

9312. In addition to any nutrition programs conducted under the McCarthy-Kennick Nutrition Program for the Elderly Act of 1972, the office may make funds available from Section 17 of this act with the approval of the Department of Finance to other nutrition projects serving the needs of individuals aged 60 or over provided by public or private nonprofit persons or agencies upon such terms and conditions as the office specifies.

SEC. 17. Amounts appropriated in Item 270.1 of the Budget Act of 1975 and Section 2 of Chapter 1345 of the Statutes of 1974 as the

nonfederal share of local matching funds for nutrition programs are hereby appropriated for such purposes and also for the purposes of Section 9312 of the Welfare and Institutions Code.

SEC. 18. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to fund needed programs for the nutritional needs of the aged it is essential that this act take immediate effect.

CHAPTER 158

An act to amend Section 8219.5 of the Government Code, relating to notaries public, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1976 Filed with Secretary of State May 11, 1976]

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

SECTION 1. Section 8219.5 of the Government Code is amended to read:

8219.5. (a) Every notary public who is not an attorney who advertises the services of a notary public in a language other than English by signs or other means of written communication, with the exception of a single desk plaque, shall post with such advertisement a notice in English and in the other language which sets forth the following:

(1) This statement: I am not an attorney and, therefore, cannot give legal advice.

(2) The fees set by statute which a notary public may charge.

(b) The notice required by subdivision (a) shall be printed and posted as prescribed by the Secretary of State.

(c) Literal translation of the phrase "notary public" into Spanish is prohibited. For purposes of this subdivision, "literal translation" of a word or phrase from one language to another means the translation of a word or phrase without regard to the true meaning of the word or phrase in the language which is being translated.

(d) The Secretary of State shall suspend for a period of not less than one year or revoke the commission of any notary public who fails to comply with subdivision (a), provided, however, that on the third offense the license of such notary public shall be revoked permanently.

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

In order that non-English-speaking people be apprised of certain limitations which the law imposes on notaries public, it is necessary that this act take effect immediately.

CHAPTER 159

An act to amend Section 690.3 of the Code of Civil Procedure, relating to attachment and execution.

[Approved by Governor May 10, 1976. Filed with Secretary of State May 11, 1976.]

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

SECTION 1. Section 690.3 of the Code of Civil Procedure is amended to read:

690.3. One housetrailer, mobilehome, houseboat, boat, or other waterborne vessel in which the debtor, or the family of such debtor, actually resides, of a value not exceeding fifteen thousand dollars ($15,000) over and above all liens and encumbrances on that housetrailer, mobilehome, houseboat, boat, or other waterborne vessel, provided neither such debtor nor the spouse of such debtor has an exempt dwelling house under Section 690.235 or an existing homestead as provided by Title 5 (commencing with Section 1237) of Part 4 of Division 2 of the Civil Code.

CHAPTER 160

An act to add Chapter 3.2 (commencing with Section 5620) to Division 5 of the Public Resources Code, relating to the California Urban Open-Space and Recreation Program, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1976. Filed with Secretary of State May 12, 1976.]

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

SECTION 1. Chapter 3.2 (commencing with Section 5620) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 3.2. ROBERTI-Z'BERG URBAN OPEN-SPACE AND RECREATION PROGRAM

Article 1. General Provisions

5620. This chapter shall be known, and may be cited as, the Roberti-Z'berg Urban Open-Space and Recreation Program Act.

5621. As used in this chapter:

(a) "City" includes the City and County of San Francisco; "county" does not include the City and County of San Francisco.

(b) "Districts" means regional park districts formed under Article 3 (commencing with Section 5500) of Chapter 3, and recreation and park districts formed under Chapter 4 (commencing with Section 5780), of this division; and any public utility district formed under Division 7 (commencing with Section 15501) of the Public Utilities Code in a nonurbanized area that employs a full-time park and recreation director and offers year-round park and recreation services on lands and facilities owned by the district.

(c) "Urbanized area" consists of a central city or cities and surrounding closely settled territory, as determined by the United States Department of Commerce, Bureau of the Census, 1970. "Urbanized county" means any county, except the City and County of San Francisco, with a population of 200,000 or more, as determined by the United States Department of Commerce, Bureau of the Census, 1970.

(d) "Heavily urbanized area" means a large city with a population of 300,000 or more and a large county or regional park district with a population of 1,000,000 or more.

(e) "Nonurbanized area" means any city, county, or district which does not qualify as an urbanized area or urbanized county under the definitions set forth in subdivision (c) of this section.

(f) "Block grant" means the allocation of moneys for one or more projects for the acquisition or development of recreational lands and facilities.

(g) "Need basis grant" means the allocation of moneys for one or more projects for the acquisition or development of recreational lands and facilities in nonurbanized areas on a project-by-project basis, based upon need.

5622. The Legislature hereby finds and declares:

(a) The demand for recreation areas, facilities, and programs in California is far greater than the present supply, with the number of people who cannot be accommodated at the area of their choice or any comparable area increasing rapidly

(b) The demand for recreation areas, facilities, and programs in the urban areas of our state are even greater: over 90 percent of the present population of California reside in urban areas; there continues to be approximately a 30-percent deficiency in open-space and recreation areas in the metropolitan areas of the state; less urban

land is available, costs are escalating, and competition for land is increasing.

(c) There is a high concentration of urban social problems in California's major metropolitan areas which can be partially alleviated by increased recreational opportunities.

(d) By 1980, the need for local recreation areas, facilities, and programs will be nearly twice as great as presently required.

(e) By 1980, unless the lands and waters that hold recreation potential today are acquired or reserved for recreation as soon as possible, there will be a marked shortage of recreation lands and waters on a local and regional basis.

(f) Cities, counties, and districts must exercise constant vigilance to see that the recreation lands and facilities they now have are not lost to other uses; they should acquire additional lands as such lands become available; they should take steps to improve the facilities they now have.

(g) In view of the foregoing, the Legislature declares that an aggressive, coordinated, funded program for meeting existing and projected local recreation demands must be implemented without delay.

5623. Grants to cities, counties, and districts pursuant to this chapter are intended to supplement and not to supplant local expenditures for park and recreation areas and facilities or to diminish in any way then current efforts for providing parks and recreation services.

Article 2. Administration

5624. The program established by this chapter shall be administered by the Department of Parks and Recreation and shall be funded by moneys appropriated to the department for grants for urban open-space and recreation programs pursuant to Item 271 of the Budget Act of 1976 and pursuant to provisions of budget acts enacted subsequent thereto that appropriate funds for such programs.

5625. Annual grants may be made to cities, counties, and districts for recreational purposes or open-space purposes, or both, on the basis of population and need, as specified in this chapter. The director shall, by regulation, specify the procedures to be followed in applying for grant funds. The director shall propose criteria for determining priority of need, conduct public hearings on such proposed criteria, and, following such hearings, shall submit such proposed criteria to the Legislature on or before November 30, 1976, for its approval within 60 days of submission of the criteria. Following such legislative approval, the director shall establish such criteria and publish and distribute the criteria to potential applicants. The director shall, by regulation, require the recipient of a grant under this chapter to submit periodic reports to the department with

respect to its use of the grant. The grant recipient shall agree, as a condition to the receipt of the grant, to submit such periodic status reports as the department may require, but in no event shall the department require reports to be submitted more frequently than on a semiannual basis. All projects for which a grant is received shall be subject to state audit.

5626. (a) The property acquired or developed pursuant to this chapter shall be used by the grant recipient only for the purpose for which the grant moneys were requested and no other use of the area shall be permitted except by specific act of the Legislature. Any project funded with grant moneys received pursuant to this chapter shall conform to the recreation element of any applicable city or county general plan.

(b) The recipient of moneys pursuant to this chapter shall expend such moneys within three years from the date of receipt. If such moneys are not expended within the three-year period, the moneys shall revert to the state.

(c) The legal counsel of the grant recipient shall certify to the department that the grant recipient has met, or will meet, all federal, state, and local environmental, public health, relocation, affirmative action, and clearinghouse requirements and all other appropriate codes, laws, and regulations prior to the expenditure of the grant funds.

5627. (a) Grant moneys received pursuant to this chapter shall be expended for high-priority projects that satisfy the most urgent park and recreation needs, with emphasis on unmet needs in the most heavily populated areas within each jurisdiction.

(b) Grants received pursuant to this chapter shall be expended only for acquisition and development.

(c) Grants to cities, counties, and districts pursuant to this chapter shall be on the basis of 75 percent state money and 25 percent local matching money for the project. Grants for acquisition shall be matched only by money or property donated to be part of the acquisition project. Grants for development may be matched by monetary contributions or, if nonmonetary contributions, as provided in regulations and standards which shall be established by the director after a public hearing.

(d) The grant recipient shall certify to the department that there is available, or will become available prior to the commencement of any work on the project for which application for a grant has been made, matching money from a nonstate source. Such certification of the source and amount of such funds shall be set forth in the application for a grant submitted to the department.

5628. Sixty-nine percent of the moneys available for grant purposes in any one fiscal year shall be available only for block grants to cities, counties, and districts in urbanized areas for the acquisition or development of recreational lands and facilities, and shall be apportioned on the basis of population in the following manner:

(a) Sixty percent of such moneys shall be allocated to cities and to recreation and park districts in urbanized areas in the proportion that the population of the jurisdiction bears to the population of all cities and recreation and park districts in urbanized areas throughout the state. Recognizing that the boundaries of cities and of recreation and park districts may overlap, only the population of the jurisdiction which will actually provide and administer the recreational service contemplated shall be counted in such area of overlapping jurisdiction. The population of recreation and park districts within urbanized areas shall be certified by the board of supervisors of each county.

(b) Forty percent of such moneys shall be allocated to urbanized counties and to regional park districts in urbanized areas in the proportion that the total population of the jurisdiction bears to the total population of all urbanized counties and regional park districts in urbanized areas throughout the state. Recognizing that the boundaries of counties and regional park districts may overlap, only the population of the jurisdiction which will actually provide and administer the recreational service contemplated shall be counted in such area of overlapping jurisdiction.

5629. Fourteen percent of the moneys available for grant purposes in any one fiscal year shall be available only for block grants to cities, counties, and regional park districts in heavily urbanized areas for the acquisition or development of recreational lands and facilities, and shall be apportioned on the basis of population in the following manner:

(a) Sixty percent of such moneys shall be allocated to large cities which constitute heavily urbanized areas in the proportion that the population of the recipient bears to the population of all cities and recreation and park districts in heavily urbanized areas throughout the state.

(b) Forty percent of such moneys shall be allocated to large counties and regional park districts which constitute heavily urbanized areas in the proportion that the total population of the recipient bears to the total population of all large counties and regional park districts which constitute heavily urbanized areas throughout the state. Recognizing that the boundaries of counties and regional park districts may overlap, only the population of the jurisdiction which will actually provide and administer the recreational service contemplated shall be counted in such area of overlapping jurisdiction.

5630. Seventeen percent of the moneys available for grant purposes in any one fiscal year shall be available only for need basis grants to cities, counties, and districts on a project-by-project basis and on the basis of need for the acquisition or development of recreational lands and facilities on the following basis:

(a) Eighty-eight percent of such moneys shall be available for grants to cities, counties, and districts in nonurbanized areas on a

project-by-project basis and on the basis of need for the acquisition or development of recreational lands and facilities. The criteria for determining need shall include, but are not limited to, deficiencies in existing park and recreational lands and facilities, the impact of participants from outside the jurisdiction, and the overall merit of the grant proposal.

(b) Twelve percent of such moneys shall be available for grants to cities and recreation and park districts in urbanized areas on a project-by-project basis and on the basis of need for the acquisition or development of recreational lands and facilities. The criteria for determining need shall include, but are not limited to, population density and the inability to complete park and recreation projects due to low total assessed valuation in the jurisdiction. Jurisdictions eligible for funds under subdivision (a) of Section 5629 shall not be eligible for funds under this section.

5631. The department, in cooperation with the federal government, local public agencies, and appropriate representatives of industry, shall coordinate and conduct a statewide needs analysis in relation to the purposes of this chapter. Such analysis shall include a full review of the grant program authorized pursuant to this chapter. The department shall report its preliminary findings and recommendations, including recommendations as to funding levels and sources in connection with such grant program, to the Legislature not later than December 31, 1976, and shall make its final report and recommendations to the Legislature on or before December 31, 1977.

5632. The director shall, on or before January 1, 1978, and January 1 of each year thereafter, submit a report to the Legislature on all grants made pursuant to this chapter.

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

Inasmuch as the Budget Bill for the 1976-77 fiscal year, which when enacted will take effect immediately as an urgency statute, proposes an appropriation of twenty-five million dollars ($25,000,000) for urban open-space and recreational programs to be administered pursuant to the provisions of this act, it is necessary that this act take effect immediately.

CHAPTER 161

An act to amend Section 19523 of the Revenue and Taxation Code, relating to tax assistance.

[Approved by Governor May 11, 1976 Filed with Secretary of State May 12, 1976.]

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

SECTION 1. Section 19523 of the Revenue and Taxation Code is amended to read:

19523. The amount of assistance shall be based on claimant's household income for the period set forth in Section 19501.5. The percentage of assistance for which each claimant shall be eligible shall be based on the following scale:

If the total household income (as defined in this part) is not more than	The percentage of tax on the first $7,500 of value (as determined for tax purposes) used to provide assistance is:
$2,000	96%
2,200	94
2,400	92
2,600	90
2,800	88
3,000	86
3,200	84
3,400	82
3,600	80
3,800	78
4,000	76
4,200	74
4,400	71
4,600	67
4,800	63
5,000	59
5,200	55
5,400	51
5,600	47
5,800	43
6,000	40
6,200	37
6,400	34
6,600	31
6,800	28
7,000	25
7,200	22
7,400	20
7,600	18
7,800	16
8,000	14
8,500	12
9,000	10
9,500	8

10,000	6
10,500	4

SEC. 2. The provisions in this act affecting changes in the Senior Citizens Property Tax Assistance Law shall be applied with respect to claims for assistance for the 1976–1977 fiscal year and fiscal years thereafter.

CHAPTER 162

An act to amend Section 1473 of the Health and Safety Code, and to amend Section 17300 of, the Welfare and Institutions Code, relating to county general relief.

[Approved by Governor May 10, 1976 Filed with Secretary of State May 12, 1976]

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

SECTION 1. Section 1473 of the Health and Safety Code is amended to read:

1473. The board of supervisors in each county may fix the rates to be charged patients admitted to any county hospital and may direct any county officer to collect the amounts due the county for hospitalization and medical care. In fixing and collecting hospital charges the board may exercise all the powers conferred by Chapter 5 (commencing with Section 17400) of Part 5 of Division 9 of the Welfare and Institutions Code. The board, or such county officer as it may authorize or designate, may adjust or compromise hospital charges for any of the following reasons:

(a) The patient, his estate, or legally responsible relatives are unable to pay the charges.

(b) Collection of the charges is barred by the statute of limitations or is otherwise legally uncollectible.

(c) The cost of administering a collection procedure would exceed the amount of revenue which might reasonably be anticipated would be recovered.

(d) Neither the patient nor his legally responsible relatives can be located.

The amendments to this section enacted by the Legislature at the 1973–74 Regular Session shall not be construed to require that any county adopt standards of indigency or requirements of reimbursement more stringent than those in use by such county immediately prior to the effective date of such amendments.

For the purposes of this chapter responsible relative is defined in Section 17300 of the Welfare and Institutions Code.

SEC. 2. Section 17300 of the Welfare and Institutions Code is amended to read:

17300. All aid rendered by the county under this part shall be a charge against the responsible relative or relatives of the recipient thereof, and the county rendering aid shall be entitled to reimbursement therefor.

The board of supervisors of the county rendering aid shall determine if the responsible relative or relatives have financial ability to support or contribute to the support of the recipient and were pecuniarily able to support or contribute to the support of the recipient during the time aid was rendered. If in the opinion of the board of supervisors pecuniary ability existed when the aid was given, and exists when the matter comes before the board of supervisors, the board shall request the district attorney or other civil legal officer of the county granting aid to proceed against such responsible relative or relatives.

Upon such request, the district attorney or other civil legal officer shall maintain an action on behalf of the county granting aid against the relative or relatives to recover for the county the aid rendered and to secure an order requiring the payment of any sums which may become due in the future.

The board of supervisors shall, in the case of aid granted by institutional care, fix a reasonable charge therefor, which shall be the measure of reimbursement to the county, and the existence of the order fixing the charge shall constitute prima facie evidence of its reasonableness.

For the purposes of this article, property described in subdivisions (g) and (h) of Section 17409 shall not be considered in determining the financial ability of a responsible relative to support or contribute to the support of the recipient.

For the purposes of this chapter responsible relative or relatives mean the spouse of a recipient and parent of a minor child who is a recipient.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because there are no state-mandated local costs in this act and any revenue loss implied herein is not reimbursable under Section 2231 of the Revenue and Taxation Code.

CHAPTER 163

An act to amend Section 25425 of the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1976 Filed with Secretary of State May 12, 1976.]

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

SECTION 1. Section 25425 of the Education Code is amended to read:

25425. (a) The governing board of a district maintaining a community college may require community college students to pay a fee in the total amount of not more than ten dollars ($10) for the regular school year for health supervision and services, including direct or indirect medical and hospitalization services, or the operation of a student health center or centers, authorized by Section 25424.7, or both.

(b) If pursuant to this section a fee is required, the governing board of a district shall decide the amount of the fee, if any, that a part-time student is required to pay. The governing board shall likewise decide the amount of the fee, if any, to be required of summer session students. Such fee may be in addition to the ten dollars ($10) maximum amount which may be charged during the regular school year, but shall not exceed the amount charged per semester or quarter during the regular school year.

(c) The governing board of a district maintaining a community college shall adopt rules and regulations that either exempt low-income students from any fee required pursuant to subdivision (a) or provide for the payment of the fee from other sources.

(d) The governing board of a district maintaining a community college shall adopt rules and regulations that exempt students who depend exclusively upon prayer for healing in accordance with the teachings of a bona fide religious sect, denomination, or organization and students who are attending a community college under an approved apprenticeship training program from any fee required pursuant to subdivision (a).

(e) All of such fees shall be deposited in the general fund of the district, and shall be expended only for the purposes for which such fees were collected.

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

In order to clarify the authority of community college district governing boards to collect a health services fee from summer school students and to thereby provide necessary health services to such students before the commencement of the next summer session, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 164

An act to amend Section 5096.1 of the Revenue and Taxation Code, relating to tax refunds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1976 Filed with Secretary of State May 12, 1976.]

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

SECTION 1. Section 5096.1 of the Revenue and Taxation Code is amended to read:

5096.1. Except as hereinafter provided, taxes collected on behalf of a local agency from a taxpayer whose property has been annexed to a second local agency but was not detached from the first local agency due to error or inadvertence shall be deemed to have been erroneously collected for purposes of Section 5096 if the governing board of the first local agency makes a finding by resolution that detachment proceedings were not commenced due to excusable neglect. If the first local agency is a fire protection district the governing body of the annexing agency may make the finding by resolution that detachment proceedings were not commenced following annexation due to excusable neglect. For purposes of determining the amount of the refund the property shall be deemed to have been detached from the first local agency on the date annexation proceedings were completed.

This section shall not apply to taxes which would be collectible under authority of Government Code Section 56492 even though the annexed property had been detached from the special district.

SEC. 2. There are no state-mandated local costs within the meaning of Section 2231 of the Revenue and Taxation Code imposed on local governmental entities by this act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Because of the failure of local agencies to detach territory from the agency upon annexation of the territory to another local agency performing the same functions as the first, taxpayers have erroneously paid property taxes to two public agencies. In order that such taxes may be refunded at the earliest possible date it is essential that this act take immediate effect.

CHAPTER 165

An act to amend Section 5782.23 of the Public Resources Code, relating to recreation and park districts.

[Approved by Governor May 11, 1976 Filed with Secretary of State May 12, 1976]

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

SECTION 1. Section 5782.23 of the Public Resources Code is amended to read:

5782.23. (a) The district board of any district which is located in any area where such services are not provided by any other public agency may provide garbage collection and disposal services and street lighting services within the district and may contract with any public agency for fire protection services for the property within the district.

(b) The district board of any district which is located in any area where street and highway sweeping is not provided by any other public agency may provide such service itself, or under contract, within the district.

CHAPTER 166

An act to amend Section 35551 of, and to add and repeal Section 35551.5 of, the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 11, 1976. Filed with Secretary of State May 12, 1976]

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

SECTION 1. Section 35551 of the Vehicle Code is amended to read:

35551. (a) Except as otherwise provided in this section or Section 35551.5, the total gross weight in pounds imposed on the highway by any group of two or more consecutive axles shall not exceed that given for the respective distance in the following table:

Distance in feet between the extremes of any group of 2 or more consecutive axles	2 axles	3 axles	4 axles	5 axles	6 axles
4	34,000	34,000	34,000	34,000	34,000
5	34,000	34,000	34,000	34,000	34,000

6	34,000	34,000	34,000	34,000	34,000
7	34,000	34,000	34,000	34,000	34,000
8	34,000	34,000	34,000	34,000	34,000
9	39,000	42,500	42,500	42,500	42,500
10	40,000	43,500	43,500	43,500	43,500
11	40,000	44,000	44,000	44,000	44,000
12	40,000	45,000	50,000	50,000	50,000
13	40,000	45,500	50,500	50,500	50,500
14	40,000	46,500	51,500	51,500	51,500
15	40,000	47,000	52,000	52,000	52,000
16	40,000	48,000	52,500	52,500	52,500
17	40,000	48,500	53,500	53,500	53,500
18	40,000	49,500	54,000	54,000	54,000
19	40,000	50,000	54,500	54,500	54,500
20	40,000	51,000	55,500	55,500	55,500
21	40,000	51,500	56,000	56,000	56,000
22	40,000	52,500	56,500	56,500	56,500
23	40,000	53,000	57,500	57,500	57,500
24	40,000	54,000	58,000	58,000	58,000
25	40,000	54,500	58,500	58,500	58,500
26	40,000	55,500	59,500	59,500	59,500
27	40,000	56,000	60,000	60,000	60,000
28	40,000	57,000	60,500	60,500	60,500
29	40,000	57,500	61,500	61,500	61,500
30	40,000	58,500	62,000	62,000	62,000
31	40,000	59,000	62,500	62,500	62,500
32	40,000	60,000	63,500	63,500	63,500
33	40,000	60,000	64,000	64,000	64,000
34	40,000	60,000	64,500	64,500	64,500
35	40,000	60,000	65,500	65,500	65,500
36	40,000	60,000	66,000	66,000	66,000
37	40,000	60,000	66,500	66,500	66,500
38	40,000	60,000	67,500	67,500	67,500
39	40,000	60,000	68,000	68,000	68,000
40	40,000	60,000	68,500	70,000	70,000
41	40,000	60,000	69,500	72,000	72,000
42	40,000	60,000	70,000	73,280	73,280
43	40,000	60,000	70,500	73,280	73,280
44	40,000	60,000	71,500	73,280	73,280
45	40,000	60,000	72,000	76,000	80,000
46	40,000	60,000	72,500	76,500	80,000
47	40,000	60,000	73,500	77,500	80,000
48	40,000	60,000	74,000	78,000	80,000
49	40,000	60,000	74,500	78,500	80,000
50	40,000	60,000	75,500	79,000	80,000
51	40,000	60,000	76,000	80,000	80,000
52	40,000	60,000	76,500	80,000	80,000
53	40,000	60,000	77,500	80,000	80,000

54	40,000	60,000	78,000	80,000	80,000
55	40,000	60,000	78,500	80,000	80,000
56	40,000	60,000	79,500	80,000	80,000
57	40,000	60,000	80,000	80,000	80,000
58	40,000	60,000	80,000	80,000	80,000
59	40,000	60,000	80,000	80,000	80,000
60	40,000	60,000	80,000	80,000	80,000

(b) In addition to the weights specified in subdivision (a), two consecutive sets of tandem axles may carry a gross weight of 34,000 pounds each if the overall distance between the first and last axles of such consecutive sets of tandem axles is 36 feet or more. The gross weight of each set of tandem axles shall not exceed 34,000 pounds and the gross weight of the two consecutive sets of tandem axles shall not exceed 68,000 pounds.

(c) The distance between axles shall be measured to the nearest whole foot. When a fraction is exactly six inches, the next larger whole foot shall be used.

(d) Nothing contained in this section shall affect the right to prohibit the use of any highway or any bridge or other structure thereon in the manner and to the extent specified in Article 4 (commencing with Section 35700) and Article 5 (commencing with Section 35750) of this chapter.

(e) The gross weight limits expressed by this section and Section 35550 shall include all enforcement tolerances.

SEC. 2. Section 35551.5 is added to the Vehicle Code, to read:

35551.5. (a) The provisions of this section shall apply only to combinations of vehicles which contain a trailer or semitrailer first registered in this state prior to April 1, 1976. Such trailer or semitrailer shall have displayed, on the right-hand side thereof, as near the front as practicable, the term "REG" followed by the month and year in which the vehicle was first registered in California. The letters shall be at least three inches in height and shall have a stroke of at least one-half inch in width, in a color that contrasts with the background of the letters, and clearly visible at all times. It is unlawful to display a date which is not the date the vehicle was first registered in this state.

(b) Every vehicle in such combination of vehicles, and every such combination of vehicles, shall comply with either Section 35551 or with subdivisions (c), (d), and (e) of this section.

(c) The gross weight imposed upon the highway by the wheels on any one axle of a vehicle shall not exceed 18,000 pounds and the gross weight upon any one wheel, or wheels, supporting one end of an axle, and resting upon the roadway, shall not exceed 9,500 pounds, except that the gross weight imposed upon the highway by the wheels on any front steering axle of a motor vehicle shall not exceed 12,500 pounds. The gross weight limit provided for weight bearing upon any one wheel, or wheels, supporting one end of an axle shall not apply

to vehicles the loads of which consist of livestock. The following vehicles are exempt from the front axle weight limits specified in this subdivision:

(1) Trucks transporting vehicles.

(2) Trucks transporting livestock.

(3) Dump trucks.

(4) Cranes.

(5) Buses.

(6) Transit mix concrete or cement trucks, and trucks that mix concrete or cement at, or adjacent to, a jobsite

(7) Motor vehicles that are not commercial vehicles.

(8) Vehicles operated by any public utility furnishing electricity, gas, water, or telephone service.

(9) Truck or truck tractor with a front axle at least four feet to the rear of the foremost part of the truck or truck tractor, not including the front bumper.

(10) Trucks transporting garbage, rubbish, or refuse.

(11) Trucks equipped with a fifth wheel when towing a semitrailer.

(12) Tank trucks which have a cargo capacity of at least 1,500 gallons.

(d) The total gross weight with load imposed on the highway by any group of two or more consecutive axles of a vehicle in such combination of vehicles or of such combination of vehicles where the distance between the first and last axles of the two or more consecutive axles is 18 feet or less, shall not exceed that given for the respective distance in the following table:

Distance in feet between first and last axles of group	Allowed load in pounds on group of axles
4	32,000
5	32,000
6	32,200
7	32,900
8	33,600
9	34,300
10	35,000
11	35,700
12	36,400
13	37,100
14	43,200
15	44,000
16	44,800
17	45,600
18	46,400

(e) The total gross weight with load imposed on the highway by

any vehicle in such combination of vehicles or of such combination of vehicles where the distance between the first and last axles is more than 18 feet shall not exceed that given for the respective distances in the following table:

Distance in feet	Allowed load in pounds
18	46,400
19	47,200
20	48,000
21	48,800
22	49,600
23	50,400
24	51,200
25	55,250
26	56,100
27	56,950
28	57,800
29	58,650
30	59,500
31	60,350
32	61,200
33	62,050
34	62,900
35	63,750
36	64,600
37	65,450
38	66,300
39	68,000
40	70,000
41	72,000
42	73,280
43	73,280
44	73,280
45	73,280
46	73,280
47	73,280
48	73,280
49	73,280
50	73,280
51	73,280
52	73,600
53	74,400
54	75,200
55	76,000
56 or over	76,800

(f) The distance between axles shall be measured to the nearest

whole foot. When a fraction is exactly six inches, the next larger whole foot shall be used.

(g) The gross weight limits expressed by this section shall include all enforcement tolerances.

(h) Nothing herein shall affect the right to prohibit the use of any highway or any bridge or other structure thereon in the manner and to the extent specified in Articles 4 (commencing with Section 35700) and 5 (commencing with Section 35750) of Chapter 5 of Division 15.

(i) The Legislature in enacting this section does not intend to increase, and this section shall not be construed to allow, statutory weights any greater than existed prior to January 1, 1976.

(j) This section shall remain in effect only until December 31, 1980, and as of such date is repealed.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities which, in the aggregate, do not result in significant, identifiable cost changes.

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

Section 35551 of the Vehicle Code, as added by Chapter 651 of the Statutes of 1975, contains technical differences which were overlooked and which will result in a considerable loss of gross weight on certain vehicles which were designed and engineered to be in compliance with the law superseded by Section 35551 of the Vehicle Code.

The vehicles affected will become obsolete, thereby causing considerable economic hardship to the owners as well as the industries served by them.

In order to achieve its intended results, it is necessary that this act take effect immediately.

CHAPTER 167

An act to amend Section 31452.6 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Became law without Governor's signature May 16, 1976
Filed with Secretary of State May 17, 1976]

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

SECTION 1. Section 31452.6 of the Government Code is amended to read:

31452.6. The board shall comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter, authorizing the treasurer to deliver the monthly warrant for the retirement allowance or benefit to any specified bank, savings and loan institution, or credit union in this state to be credited to the account of the retired member or survivor of a deceased retired member. Such delivery is full discharge of the liability of the board to pay a monthly retirement allowance or benefit to such retired member or survivor of a deceased retired member.

SEC. 2. There are no state-mandated local costs within the meaning of Section 2231 of the Revenue and Taxation Code imposed on local governmental entities by this act.

CHAPTER 168

An act to amend Section 17055 of, to add Section 17052.5 to, to repeal Section 17052.5 of, to add Chapter 3.5 (commencing with Section 23601) to Part 11 of Division 2 of, and to repeal Chapter 3.5 (commencing with Section 23601) of Part 11 of Division 2 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor May 20, 1976. Filed with Secretary of State May 20, 1976]

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

SECTION 1. Section 17052.5 is added to the Revenue and Taxation Code, to read:

17052.5. (a) There shall be allowed as a credit against the amount of "net tax" (as defined in subdivision (e)) an amount equal to 10 percent or one thousand dollars ($1,000), whichever is less, of the acquisition cost (including installation charges) of solar energy devices designed to produce heat or electricity, on premises in California which are owned and controlled by the taxpayer at the time of installation, payment for which is made by the taxpayer during the taxable year.

(b) The credit for such cost shall be in lieu of any deduction under this part to which the taxpayer otherwise may be entitled, if any.

(c) The basis of any device for which a credit is allowed shall be reduced for the purposes of this part by an amount equal to the credit.

(d) In the case of a husband or wife who files a separate return, the amounts specified under subdivision (a) shall be 5 percent in lieu

of 10 percent and five hundred dollars ($500) in lieu of one thousand dollars ($1,000).

(e) For the purposes of this section, the term "net tax" means the tax imposed under either Section 17041 or 17048 minus the credit for retirement income provided for in Section 17053, the credits for personal exemption provided for in Section 17054, and the credits for taxes paid other states provided for in Chapter 12 (commencing with Section 18001).

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

SEC. 2. Section 17055 of the Revenue and Taxation Code is amended to read:

17055. (a) Any individual, other than an active member of the armed forces of the United States or any auxiliary branch thereof, and his or her spouse, who is a nonresident for all or any portion of the taxable year shall deduct the minimum standard deduction provided by Section 17171 and the credits for personal exemptions and solar energy devices set forth in this chapter in the proportion that such individual's adjusted gross income from California sources bears to his adjusted gross income from all sources.

(b) An individual subject to the provisions of subdivision (a) must apportion the deduction provided for by Section 17171, regardless of the amount of his adjusted gross income, and shall not be permitted to determine his tax under the tax table provided in Section 17048.

SEC. 3. Chapter 3.5 (commencing with Section 23601) is added to Part 11 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.5. TAX CREDITS

23601. (a) There shall be allowed as a credit against the taxes imposed by this part an amount equal to 10 percent or one thousand dollars ($1,000), whichever is less, of the acquisition costs (including installation charges) of solar energy devices designed to produce heat or electricity, on premises in California which are owned and controlled by the taxpayer at the time of installation, payment for which is made by the taxpayer during the income year.

(b) The credit for such cost shall be in lieu of any deduction under this part to which the taxpayer otherwise may be entitled, if any.

(c) The basis of any device for which a credit is allowed shall be reduced for the purposes of this part by an amount equal to the credit.

(d) When either (1) the income from sources within this state of two or more corporations which are commonly owned or controlled is determined in accordance with Chapter 17 (commencing with Section 25101) of this part or Part 18 (commencing with Section 38001) of this division, or (2) two or more commonly owned or controlled corporations derive income from sources solely within this state, whose business activities are such that if conducted within and

without this state, the income derived from sources within this state would be determined in accordance with Chapter 17 (commencing with Section 25101) of this part or Part 18 (commencing with Section 38001) of this division (hereinafter referred to as "wholly intrastate corporations"), then such corporations shall determine the credit prescribed in subdivision (a) as if such corporations were one corporation. As to wholly intrastate corporations, the amount of the credit prescribed in subdivision (a) shall be prorated among them in the ratio to which the cost of such device to each corporation bears to the total cost of such devices for all corporations.

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

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the operative effect of the provisions of this act shall be as follows:

(a) Sections 1 and 2 of this act shall be applied in the computation of taxes for taxable years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, Section 1 of this act shall apply in the computation of taxes for taxable years beginning on or after the first day of the calendar year following the effective date.

(b) Section 3 of this act shall be applied in the computation of taxes for income years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for income years beginning on or after the first day of the calendar year following the effective date.

(c) The provisions of this act shall have no force or effect in the computation of taxes for taxable years and income years which begin on or after the first day of the calendar year commencing five years after the effective date of this act.

(d) Sections 1 and 3 of this act shall remain in effect only until the first day of the calendar year commencing five years after the effective date of this act, and as of such date are repealed, unless a later enacted statute, which is chaptered before such date, deletes or extends such date.

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CHAPTER 169

An act to add Section 8755.5 to the Government Code, relating to the Arts Council, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1976. Filed with Secretary of State May 20, 1976]

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

SECTION 1. Section 8755.5 is added to the Government Code, to read:

8755.5. The executive or principal office of the Arts Council shall be located in the County of Sacramento. The council may establish one or more secondary offices in other locations within the state if it determines that such office or offices are needed to properly carry out the provisions of this chapter.

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

In order to properly implement the provisions of the law which became effective January 1, 1976, creating the Arts Council, it is essential that the location of the Arts Council be designated immediately.

CHAPTER 170

An act to amend Section 4514.3 of the Public Resources Code, relating to timber harvesting, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1976 Filed with Secretary of State May 20, 1976]

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

SECTION 1. Section 4514.3 of the Public Resources Code is amended to read:

4514.3. (a) All actions taken pursuant to this chapter are exempt from the provisions of Division 13 (commencing with Section 21000) until January 1, 1976.

(b) This section shall remain in effect until January 1, 1977, and as of such date is repealed.

(c) Timber operations conducted pursuant to a timber harvesting plan or amended plan which becomes effective during the effective period of this section shall be completed prior to January 1, 1977,

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except that measures to complete stocking pursuant to Section 4561 need not be completed until five years after completion of timber operations. Timber harvesting plans which became effective between January 1, 1975, and June 30, 1975, are hereby confirmed, validated, and declared legally effective.

(d) The provisions of Division 13 (commencing with Section 21000) do not apply to the preparation, review, or approval of timber harvesting plans and amended plans until January 1, 1976. Nothing in this section shall modify, amend, or change the effect of any ruling which has been made in the Humboldt County Superior Court Case No. 54212; nor shall this section disturb the court's ruling set forth in the first, second and third paragraphs of the second page of the summary judgment made in said case on February 19, 1975, except as amended, changed, or reversed on appeal.

(e) This section shall not be construed by implication as either authorizing or requiring the preparation of an environmental impact report after January 1, 1976, with respect to a timber harvesting plan.

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

In order to avert serious uncertainty with resultant delay and detrimental effects to industry and to the economy of the state, and to better protect resources important to the public welfare, it is necessary for this act to take effect immediately.

CHAPTER 171

An act to amend Section 11580.2 of the Insurance Code, relating to uninsured motorists.

[Approved by Governor May 20, 1976 Filed with Secretary of State May 20, 1976]

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

SECTION 1. Section 11580.2 of the Insurance Code is amended to read:

11580.2. (a) (1) No policy of bodily injury liability insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle, shall be issued or delivered in this state to the owner or operator of a motor vehicle, or shall be issued or delivered by any insurer licensed in this state upon any motor vehicle then principally used or principally garaged in this state, unless the policy contains, or has added to it by endorsement, a provision with coverage limits at least equal to the financial responsibility requirements specified in Section 16056 of the Vehicle Code insuring the insured, his heirs or his legal representative for all sums within

such limits which he or they, as the case may be, shall be legally entitled to recover as damages for bodily injury or wrongful death from the owner or operator of an uninsured motor vehicle. The insurer and any named insured, prior to or subsequent to the issuance or renewal of a policy, may, by agreement in writing, in the form specified in paragraph (2), delete the provision covering damage caused by an uninsured motor vehicle (1) completely, or (2) with respect to a natural person or persons designated by name when operating a motor vehicle. Either of such deletions by any named insured shall be binding upon every insured to whom such policy or endorsement provisions apply while such policy is in force, and shall continue to be so binding with respect to any continuation, renewal, or replacement of such policy by the named insured, or with respect to reinstatement of such policy within 30 days of any lapse thereof. A policy shall be excluded from the application of this section if the only coverage with respect to the use of any motor vehicle is limited to the contingent liability arising out of the use of nonowned motor vehicles.

(2) The agreement specified in paragraph (1) shall be in the following form:

"NOTICE

"If you sign this form, you are deleting coverage available to you, for an additional premium, under state law. If you do not sign the form and are injured by a negligent uninsured motorist and you incur medical expenses, lost earnings, pain and suffering, or other injury damages, up to $15,000 per person and $30,000 per accident, these damages may be collectible through your uninsured motorist insurance coverage.

"Deletion of Coverage

"I have read the above warning and I understand that uninsured motorist coverage will add $_____ to my [annual] [6 month] premium. I understand that coverage under an uninsured motorist provision extends to anyone riding in my vehicle and to me and all relatives residing in my household, even if I am or the relative is a pedestrian or bicyclist, unless I specifically delete from the coverage one or more named persons when operating a motor vehicle or delete the coverage entirely. I further understand that this coverage is automatically added to the policy upon payment of the premium therefor unless I sign this form.

"☐ I hereby delete uninsured motorist coverage entirely.

"☐ I hereby delete uninsured motorist coverage only with respect to the following person(s) _____.

"_____

Signature

"Do not sign this form without reading it!"

The captions of the foregoing form shall be in prominent type. A signed copy of the deletion shall either be given to the insured at the time of signature or be affixed to a policy issued without uninsured motorist coverage.

Such agreement may contain additional statements not in derogation of or conflict with the foregoing. The execution of such agreement shall relieve the insurer of liability under this section while such agreement remains in effect.

(b) As used in (a) above, "bodily injury" includes sickness or disease, including death, resulting therefrom; the term "named insured" means only the individual or organization named in the declarations of the policy of motor vehicle bodily injury liability insurance referred to in (a) above; as used in (a) above the term "insured" means the named insured and the spouse of the named insured and relatives of either while residents of the same household while occupants of a motor vehicle or otherwise, heirs and any other person while in or upon or entering into or alighting from an insured motor vehicle and any person with respect to damages he is entitled to recover for care or loss of services because of bodily injury to which the policy provisions or endorsement apply; the term "insured motor vehicle" means the motor vehicle described in the underlying insurance policy of which the uninsured motorist endorsement or coverage is a part, a temporary substitute or a newly acquired automobile for which liability coverage is provided in the policy if the motor vehicle is used by the named insured or with his permission or consent, express or implied, and any other automobile not owned by the named insured or any resident of the same household while being operated by the named insured or his spouse if a resident of the same household, but the term "insured motor vehicle" shall not include any automobile while used as a public or livery conveyance. The term "uninsured motor vehicle" means a motor vehicle with respect to the ownership, maintenance or use of which there is no bodily injury liability insurance or bond applicable at the time of the accident, or there is such applicable insurance or bond but the company writing the same denies coverage thereunder or refuses to admit coverage thereunder except conditionally or with reservation, or a motor vehicle used without the permission of the owner thereof if there is no bodily injury liability insurance or bond applicable at the time of the accident with respect to the owner or operator thereof, or the owner or operator thereof be unknown, provided that, with respect to an "uninsured motor vehicle" whose owner or operator is unknown:

(1) The bodily injury has arisen out of physical contact of such

automobile with the insured or with an automobile which the insured is occupying.

(2) The insured or someone on his behalf shall have reported the accident within 24 hours to the police department of the city where the accident occurred or, if the accident occurred in unincorporated territory then either to the sheriff of the county where the accident occurred or the local headquarters of the California Highway Patrol, and have filed with the insurer within 30 days thereafter a statement under oath that the insured or his legal representative has or the insured's heirs have a cause of action arising out of such accident for damages against a person or persons whose identity is unascertainable and set forth facts in support thereof.

(3) As used in this section, the term "uninsured motor vehicle" shall not include an automobile owned by the named insured or any resident of the same household or self-insured within the meaning of the safety responsibility law of the state in which the motor vehicle is registered or which is owned by the United States of America, Canada, a state or political subdivision of any such government or an agency of any of the foregoing, or a land motor vehicle or trailer operated on rails or crawlertreads or while located for use as a residence or premises and not as a vehicle, or a farm-type tractor or equipment designed for use principally off public roads, except while actually upon public roads.

As used in this section, the term "uninsured motor vehicle" also means an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency. An insurer's solvency protection shall be applicable only to accidents occurring during a policy period in which its insured's motor vehicle coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one year of such accident. In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment, shall to the extent thereof, be entitled to any proceeds which may be recoverable from the assets of the insolvent insurer through any settlement or judgment of such person against the insolvent insurer.

(c) The insurance coverage provided for in this section does not apply:

(1) To property damage sustained by the insured.

(2) To bodily injury of the insured while in or upon or while entering into or alighting from an automobile other than the described automobile if the owner thereof has insurance similar to that provided in this section.

(3) To bodily injury of the insured with respect to which the insured or his representative shall, without the written consent of the insurer, make any settlement with or prosecute to judgment any action against any person who may be legally liable therefor.

(4) In any instance where it would inure directly or indirectly to the benefit of any workers' compensation carrier or to any person qualified as a self-insurer under any workers' compensation law, or directly to the benefit of the United States, or any state or any political subdivision thereof.

(5) To establish proof of financial responsibility as provided in subdivisions (a), (b), and (c) of Section 16054 of the Vehicle Code.

(6) To bodily injury of the insured while occupying a motor vehicle owned by an insured, unless the occupied vehicle is an insured motor vehicle.

(7) To bodily injury of the insured when struck by a vehicle owned by an insured.

(d) Subject to paragraph (c) (2), the policy or endorsement may provide that if the insured has insurance available to him under more than one uninsured motorist coverage provision, any damages shall not be deemed to exceed the higher of the applicable limits of the respective coverages, and such damages shall be prorated between the applicable coverages as the limits of each coverage bears to the total of such limits.

(e) The policy or endorsement added thereto may provide that if the insured has valid and collectible automobile medical payment insurance available to him, the damages which he shall be entitled to recover from the owner or operator of an uninsured motor vehicle shall be reduced for purposes of uninsured motorist coverage by the amounts paid or due to be paid under such automobile medical payment insurance. This subdivision shall become operative on January 1, 1971.

(f) The policy or an endorsement added thereto shall provide that the determination as to whether the insured shall be legally entitled to recover damages, and if so entitled, the amount thereof, shall be made by agreement between the insured and the insurer or, in the event of disagreement, by arbitration. The arbitration shall be conducted by a single neutral arbitrator. An award or a judgment confirming an award shall not be conclusive on any party in any action or proceeding between (i) the insured, his insurer, his legal representative, or his heirs and (ii) the uninsured motorist to recover damages arising out of the accident upon which the award is based. If the insured has or may have rights to benefits, other than nonoccupational disability benefits, under any workers' compensation law, the arbitrator shall not proceed with the arbitration until the insured's physical condition is stationary and ratable. In those cases in which the insured claims a permanent disability, such claims shall, unless good cause be shown, be adjudicated by award or settled by compromise and release before the arbitration may proceed. Any demand or petition for arbitration shall contain a declaration, under penalty of perjury, stating whether (i) the insured has a workers' compensation claim; (ii) such claim has proceeded to findings and award or settlement on all issues

reasonably contemplated to be determined in that claim; and (iii) if not, what reasons amounting to good cause are grounds for the arbitration to proceed immediately. The provisions of Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall be applicable to such determinations, and all rights, remedies, obligations, liabilities and procedures set forth in such Article 3 shall be available to both the insured and the insurer at any time after the accident, both before and after the commencement of arbitration, if any, with the following limitations:

(1) Whenever in such Article 3, reference is made to the court in which the action is pending, or provision is made for application to the court or obtaining leave of court or approval by the court, the court which shall have jurisdiction for the purposes of this section shall be the superior court of the State of California, in and for any county which is a proper county for the filing of a suit for bodily injury arising out of the accident, against the uninsured motorist, or any county specified in the policy or an endorsement added thereto as a proper county for arbitration or action thereon.

(2) Any such proper court to which application is first made by either the insured or the insurer under the provisions of such Article 3 for any discovery or other relief or remedy, shall thereafter be the only court to which either of the parties shall make any applications under such Article 3 with respect to the same accident, subject, however, to the right of such court to grant a change of venue after a hearing upon notice, upon any of the grounds upon which change of venue might be granted in an action filed in the superior court.

(3) A deposition pursuant to the provisions of Section 2016 of the Code of Civil Procedure may be taken without leave of court, except that leave of court, granted with or without notice and for good cause shown, must be obtained if the notice of the taking of the deposition is served by either party within 20 days after the accident.

(4) The provisions of subparagraph (a) (4) of Section 2019 of the Code of Civil Procedure shall not be applicable to discovery under this section.

(5) For the purposes of discovery under this section, the insured and the insurer shall each be deemed to be "a party to the record of any civil action or proceedings," where that phrase is used in subparagraph (b) (2) of Section 2019 of the Code of Civil Procedure.

(6) Interrogatories under the provisions of Section 2030 of the Code of Civil Procedure and requests for admission under Section 2033 of the Code of Civil Procedure may be served by either the insured or the insurer upon the other at any time more than 20 days after the accident without leave of court.

(7) Nothing in this section shall be construed to limit the rights of any party to discovery in any action pending or which may hereafter be pending in any court.

(g) The insurer paying a claim under an uninsured motorist

endorsement or coverage shall be entitled to be subrogated to the rights of the insured to whom such claim was paid against any person causing such injury or death to the extent that payment was made. Such action may be brought within three years from the date that payment was made hereunder.

(h) An insured entitled to recovery under the uninsured motorist endorsement or coverage shall be reimbursed within the conditions stated herein without being required to sign any release or waiver or rights to which he may be entitled under any other insurance coverage applicable; nor shall payment under this section to such insured be delayed or made contingent upon the decisions as to liability or distribution of loss costs under other bodily injury liability insurance or any bond applicable to the accident. Any loss payable under the terms of the uninsured motorist endorsement or coverage to or for any person may be reduced:

(1) By the amount paid and the present value of all amounts payable to him under any workers' compensation law, exclusive of nonoccupational disability benefits.

(2) By the amount the insured is entitled to recover from any other person insured under the underlying liability insurance policy of which the uninsured motorist endorsement or coverage is a part.

(i) No cause of action shall accrue to the insured under any policy or endorsement provision issued pursuant to this section unless within one year from the date of the accident:

(1) Suit for bodily injury has been filed against the uninsured motorist, in a court of competent jurisdiction, or

(2) Agreement as to the amount due under the policy has been concluded, or

(3) The insured has formally instituted arbitration proceedings.

(j) Notwithstanding the provisions of subdivisions (b) and (i), in the event the accident occurs in any other state or foreign jurisdiction to which coverage is extended under the policy and the insurer of the tortfeasor becomes insolvent, any action authorized pursuant to the provisions of this section may be maintained within three months of the insolvency of the tortfeasor's insurer, but in no event later than the pertinent period of limitation of the jurisdiction in which the accident occurred.

(k) Notwithstanding the provisions of subdivision (i), any insurer whose insured has made a claim under his or her uninsured motorist coverage, and such claim is pending, shall, at least 30 days before the expiration of the applicable statute of limitation, notify its insured in writing of the statute of limitation applicable to such injury or death. Failure of the insurer to provide such written notice shall operate to toll any applicable statute of limitation or other time limitation for a period of 30 days from the date such written notice is actually given.

(*l*) As used in subdivision (b), "public or livery conveyance," or terms of similar import, shall not include the operation or use of a motor vehicle by the named insured in the performance of volunteer

services for a nonprofit charitable organization or governmental agency by providing transportation to senior citizens or physically or mentally handicapped persons. This subdivision shall not apply in any case in which the named insured receives any remuneration of any kind other than reimbursement for actual mileage driven in the performance of such services at a rate not to exceed fifteen cents ($0.15) per mile actually driven. As used in this section, "senior citizen" means a person 60 years of age or older. This subdivision shall apply only to policies of insurance issued, amended, or renewed on or after January 1, 1976.

SEC. 2. This act shall apply only to policies of insurance specified in subdivision (a) of Section 11580.2 of the Insurance Code which are issued, delivered, amended, or renewed on or after January 1, 1977, and shall not affect the validity of deletions executed prior to January 1, 1977.

CHAPTER 172

An act to amend Section 15 of Chapter 1130 of the Statutes of 1975, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1976 Filed with Secretary of State May 20, 1976]

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

SECTION 1. Section 15 of Chapter 1130 of the Statutes of 1975 is amended to read:

Sec. 15. (a) The Southern California Association of Governments shall contract for a transit needs study in the unincorporated East Los Angeles area, which study shall include the gathering of primary data, an assessment of the performance of existing transit systems, an evaluation of other transportation alternatives, and an evaluation of the primary data in terms of existing transit systems and other transportation alternatives in the unincorporated East Los Angeles area.

(b) The study shall also be directed to developing such basic data and methodologies that would be usable by decisionmakers in establishing transportation policies in other areas of the state with a high transit dependency.

(c) Not later than January 1, 1977, the Southern California Association of Governments shall submit copies of the transit needs study for the unincorporated East Los Angeles area to the Legislature and the State Transportation Board.

(d) In financing this study, it is the intent of the Legislature to encourage research in the area of determining transit needs and to develop new technologies and methodologies which will have broad

application throughout the state and which will provide transportation policymakers with critical information when making transportation decisions.

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

In order that the entity retained by the Southern California Association of Governments to prepare the transit needs study for the unincorporated East Los Angeles area may have adequate time to do so, it is necessary that this act take effect immediately.

CHAPTER 173

An act to amend Section 510 of the Health and Safety Code, relating to local health officers.

[Approved by Governor May 20, 1976 Filed with Secretary of State May 20, 1976]

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

SECTION 1. Section 510 of the Health and Safety Code is amended to read:

510. Whenever the governing body of any city, county, or city and county determines that the expenses of its health officer in the enforcement of any statute, order, quarantine, rule or regulation prescribed by a state officer or department relating to public health, are not met by any fees prescribed by the state, such governing body may adopt an ordinance or a resolution prescribing such fees as will pay the reasonable expenses of such officer incurred in such enforcement. The schedule of fees prescribed by ordinance or resolution of the governing body shall be applicable in the area in which the health officer enforces any statute, order, quarantine, rule or regulation prescribed by a state health officer or department relating to public health.

CHAPTER 174

An act making an appropriation for the state park system, and in this connection amending and supplementing the Budget Act of 1976 by adding Section 2.8B thereto, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1976 Filed with Secretary of State May 20, 1976]

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

SECTION 1. Section 2.8B is added to the Budget Act of 1976, to read:

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

Sec. 2.8B. The following sum of money, or so much thereof as may be necessary, unless otherwise provided herein, is hereby appropriated for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years. Appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1976–77 fiscal year. Such appropriation shall be paid out of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

CAPITAL OUTLAY

Resources

411.2B—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivision (c) of Section 5096.85 of the Public Resources Code, for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 280,000

Schedule:

(a) Woodland Opera House: restoration and related new construction 280,000

provided, that none of the funds which are appropriated by this item for the project set forth herein shall be available for expenditure unless and until such project is recommended by the State Park and Recreation Commission and reviewed by the Secretary of the Resources Agency; and provided, further, that such restoration and reconstruction shall be subject to the following conditions:

(1) Title to the Woodland Opera House and adjacent land, included in the north 106 feet of Lot 5 of Block 2, as shown on the map of the former Town of Woodland, is transferred to the state at no cost to the state, and inclusion of such lands in the state park system is approved by the State Park and Recreation Commission.

(2) Funds appropriated by this item shall not be available for expenditure until the project has been approved by the federal government for matching funds under the National Historic Preservation Act of 1966 (P.L. 89-665) and such matching funds are allocated to the project by the state.

(3) Funds appropriated pursuant to this item shall not be available for expenditure until the City of Woodland submits evidence satisfactory to the Department of Parks and Recreation that the city has available labor, materials, and funds equal to the sum of seventy thousand dollars ($70,000) which the city will expend on the project.

(4) Funds appropriated by this item shall not be available for expenditure until the City of Woodland enters into an agreement with the state for the operation, care, and maintenance of the Woodland Opera House and related facilities in behalf of the state.

SEC. 2. Section 1 of this act shall become operative on July 1, 1976.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that provisions of this act may augment the Budget Act of 1976, and thereby enable the early acquisition and development of greatly needed lands and a highly significant historical structure for park, recreational, or historical purposes, it is necessary that this act go into immediate effect.

CHAPTER 175

An act to amend Section 28204 of the Education Code, relating to union high school library districts.

[Approved by Governor May 20, 1976 Filed with Secretary of State May 20, 1976]

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

SECTION 1. Section 28204 of the Education Code is amended to read:

28204. The board shall hold an annual organizational meeting. In a year in which a regular election for board members is conducted, the meeting shall be held on a day within a 15-day period that commences with the date upon which a board member elected at that election takes office. Organizational meetings in years in which no such regular election for board members is conducted shall be held during the same 15-day period on the calendar. At each of such meetings, the board shall elect one of its number president, and another one of its number secretary. They shall serve as such for one year or until their successors are elected and qualified.

CHAPTER 176

An act to add Section 17701.4 to, and to amend Sections 17702, 17702.2, 17951, 18055, 18056, 18057 and 20905 of, the Education Code, to amend Sections 51230, 51246, and 65041 of, to add Sections 27423 and 51282.5 to, and to add Chapter 6.7 (commencing with Section 51100) to Part 1 of Division 1 of Title 5 of, the Government Code, to amend Section 4624 of, and to add Sections 4582.8 and 4621.2 to, the Public Resources Code, and to amend Sections 17299.1, 18052.2, 24441, and 24916.2 of, to amend and renumber Sections 431 and 432 of, to add Sections 423.9 and 2266.2 to, to add Article 1.7 (commencing with Section 431) to Chapter 3 of Part 2 of Division 1 of, and to add Part 18.5 (commencing with Section 38101) to Division 2 of, the Revenue and Taxation Code, and to amend Sections 12400, 14150, and 14150.5 of the Welfare and Institutions Code, relating to the taxation of timber and timberland, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 23, 1976 Filed with Secretary of State May 24, 1976]

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

SECTION 1. (a) The Legislature finds and declares that the forest resources and timberlands of the state are among the most valuable of the natural renewable resources of the state and that there is great concern throughout the state relating to their protection, restoration, and utilization.

(b) The Legislature further finds and declares that the forest resources and timberlands of the state produce timber and other forest products, recreational opportunities, and aesthetic enjoyment while providing watershed protection and maintaining fisheries and wildlife.

(c) The Legislature further finds and declares that it is the policy of this state to encourage prudent and responsible forest resource management calculated to serve the public's need for timber and other forest products, while giving consideration to the public's need for watershed protection, fisheries and wildlife, and recreational opportunities alike in this and future generations.

(d) The Legislature further finds that it is not the intent of the Legislature by the enactment of this act to take private property for public use without payment of just compensation in violation of the California and United States Constitutions.

SEC. 2. (a) The Legislature finds and declares that the existing system of ad valorem taxation of timber and timberland discourages the achievement of the above long-range public benefits and that it is therefore in the economic and social interests of the State of California to develop an alternative system of forest taxation that will

encourage achievement of these benefits.

(b) This act is pursuant to the authorization granted to the Legislature in the second paragraph of subdivision (j) of Section 3 of Article XIII of the State Constitution in recognition of the unique nature of timber as a renewable natural resource requiring many years to mature, and intends to encourage the protection of immature trees and the continued use of timberlands for the production of trees for timber products, and further intends to provide for restricting the use of timberland to the production of timber products and compatible uses with provisions for taxation of timberland based on the restrictions.

(c) It is therefore the intent of this act that real property taxes on timber shall not be levied annually against the value of standing timber inventory; but rather property taxes, herein called "yield taxes," shall be levied against the value of timber only at the time of harvest. Land classified as timberland shall continue to be subject to annual ad valorem property taxation, but such land shall be valued only on the basis of its use for growing wood fiber and supporting compatible uses.

(d) It is the intent of the Legislature that timber be taxed according to the provisions of this act and that the procedures authorized according to paragraph (1) of subdivision (j) of Section 3 of Article XIII shall not apply after June 30, 1977.

SEC. 2.1. Section 17701.4 is added to the Education Code, to read:

17701.4. The assessed valuation used for apportionments wherein the formulae require a distribution of state aid based on the assessed valuation of the school district shall be determined by adding: (a) the taxable assessed valuation of each district, including the assessed valuation of timber in the district which is assessed as such, (b) the sum of assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code and, (c) the homeowners' and business inventory exemptions pursuant to Sections 218 and 219 of the Revenue and Taxation Code.

The assessed valuation equivalents for revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the secured tax rate for the prior year.

Each county auditor on or before November 15th shall report the assessed valuations to the Superintendent of Public Instruction on forms provided by him. The Superintendent of Public Instruction shall require the assessed valuations to be reported in such an order that the appropriate assessed valuations may be modified pursuant to Section 17262.

SEC. 2.2. Section 17702 of the Education Code is amended to read:

17702. The Superintendent of Public Instruction shall compute for each district described herein which does not come within the provisions of Section 17702.2 the amount, to be known as district aid, which a tax levied on each one hundred dollars ($100) of 100 percent of the assessed valuation in such district as shown by the equalized assessment roll of the district for the current year pursuant to Section 17701.4, as modified pursuant to Section 17262, would produce if levied, if such tax was:

(a) Two dollars and twenty-three cents ($2.23) in an elementary school district.

(b) One dollar and sixty-four cents ($1.64) in a high school district.

(c) Thirty-nine cents ($0.39) in a community college district.

SEC. 2.3. Section 17702.2 of the Education Code is amended to read:

17702.2. The Superintendent of Public Instruction shall compute the areawide aid to be utilized in determining state apportionments to be made for the support of elementary school districts and high school districts with respect to which an areawide foundation program is computed under Article 2.5 (commencing with Section 17680) of this chapter. Areawide aid shall be the amount which a tax levied on each one hundred dollars ($100) of 100 percent of the assessed valuation for the current fiscal year pursuant to Section 17701.4, modified where necessary pursuant to Section 17262, of the area comprising all of such elementary school districts and all of such high school districts would produce, if levied, if such tax were: (a) in the case of the elementary school district area, one dollar ($1); and (b) in the case of the high school district area, eighty cents ($0.80).

If the Superintendent of Public Instruction finds that the difference obtained by subtracting the areawide aid as computed under the above provisions of this section from the areawide foundation program is less than the product obtained by multiplying the average daily attendance used for foundation program purposes by one hundred twenty-five dollars ($125), he shall reduce the areawide aid to an amount which, when added to such product, will equal the amount of the areawide foundation program.

SEC. 2.4. Section 17951 of the Education Code is amended to read:

17951. The allowance for each unit of average daily attendance during the fiscal year for adults, as adults are defined in Section 5756, shall be as follows:

(a) For high school districts the allowance shall be four hundred thirteen dollars ($413) less the product of fifty cents ($0.50) multiplied by each one hundred dollars ($100) of the assessed valuation of the district pursuant to Section 17701.4, as modified pursuant to Section 17262, per unit of average daily attendance exclusive of adults.

For fiscal year 1975–76, the foundation program for adults, as defined in Section 5756, in high schools shall be increased by

twenty-nine dollars ($29). For fiscal year 1976–77, the foundation program for adults, as defined, in high schools shall be increased by thirty-one dollars ($31). For each subsequent fiscal year, the foundation program for adults, as defined, in high schools for the previous fiscal year shall be increased by 6 percent.

(b) For each unit of average daily attendance attached to a community college the allowance shall be five hundred fifty-six dollars ($556) less the product of twenty-four cents ($0.24) multiplied by each one hundred dollars ($100) of the assessed valuation of the district, as modified pursuant to Section 17262, per unit of average daily attendance exclusive of adults. The allowance for each unit of average daily attendance attached to a community college shall be increased by 7 percent for the 1974–75, 1975–76, and 1976–77 fiscal years and by 6 percent for the 1977–78 fiscal year, and fiscal years thereafter, unless revised by the Legislature prior to July 1, 1977.

The foundation programs provided by this section for each unit of average daily attendance of an adult, as an adult is defined in Section 5756, not residing in the district and not residing in any district maintaining a community college shall be limited to one hundred twenty-five dollars ($125) as basic state aid and no allowance shall be made based on state equalization aid. The total of basic and equalization aid allowed each district shall not be less than one hundred twenty-five dollars ($125) for each unit of average daily attendance during the fiscal year for resident adults, exclusive of average daily attendance in classes for inmates of any state institution for adults and for inmates of any city, county, or city and county jail, road camp or farm for adults; unless the inmate is attending a community college class or program pursuant to Section 2690 of the Penal Code, in which case such attendance shall be included.

SEC. 2.5. Section 18055 of the Education Code is amended to read:

18055. (a) He shall allow to each elementary school district, high school district, and community college district, except as to any to which subsections (b), (c) and (d) of this section or Section 18057 is applicable, which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 17701.4, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than two cents ($0.02) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than eight cents ($0.08) of the computed tax rate less two cents

($0.02), (2) 75 percent of the amount which would be produced by not more than sixteen cents ($0.16) of computed tax less eight cents ($0.08), (3) 80 percent of the amount which would be produced by not more than twenty-four cents ($0.24) of the computed tax less sixteen cents ($0.16), and (4) 90 percent of the amount which would be produced by the computed tax less twenty-four cents ($0.24).

(b) He shall allow to each high school district maintaining a community college, or maintaining 13th and 14th grades, except as to any to which Section 18057 is applicable, which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 17701.4, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than three cents ($0.03) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than twelve cents ($0.12) of the computed tax rate less three cents ($0.03), (2) 75 percent of the amount which would be produced by not more than twenty-four cents ($0.24) of the computed tax rate less twelve cents ($0.12), (3) 80 percent of the amount which would be produced by not more than thirty-six cents ($0.36) of the computed tax rate less twenty-four cents ($0.24), and (4) 90 percent of the amount which would be produced by the computed tax rate less thirty-six cents ($0.36).

(c) He shall allow to each elementary school district which is not a part of a high school district and which during the preceding fiscal year provided for the transportation of pupils to the elementary schools of the district and to one or more high schools in other districts an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 17701.4, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16) of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less thirty-two cents ($0.32), and (4) 90 percent of the

amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

If an elementary district which is not a part of a high school district provides only for the transportation of pupils to a high school, an amount shall be computed as provided in subdivision (a) of this section.

(d) He shall allow to each high school district not a part of any community college district which during the preceding fiscal year provided for the transportation of pupils to the high schools of the district and pupils attending community colleges maintained by other districts an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 17701.4, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16) of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less thirty-two cents ($0.32), and (4) 90 percent of the amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

If a high school district which is not a part of a community college district provides only for the transportation of pupils to a community college, an amount shall be computed as provided in subdivision (a) of this section.

SEC. 2.6. Section 18056 of the Education Code is amended to read:

18056. (a) He shall allow to each unified school district formed under the provisions of Sections 3001 to 3451, inclusive, of this code, the formation of which became effective on July 1, 1948, or thereafter, an amount equal to the total current expenses of the district during the preceding fiscal year for the transportation of pupils, determined by the Superintendent of Public Instruction to have been required because of a change of the location of schoolhouses or the reorganization of attendance centers within the district during such preceding fiscal year. No allowance shall be made under this paragraph subsequent to the close of the fifth fiscal year following that in which the district was formed and thereafter the provisions of subsection (b) or (c) of this section shall control as to such district.

(b) He shall allow to each unified school district not maintaining

a community college which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 17701.4, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than three cents ($0.03) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than twelve cents ($0.12) of the computed tax rate less three cents ($0.03), (2) 75 percent of the amount which would be produced by not more than twenty-four cents ($0.24) of the computed tax rate less twelve cents ($0.12), (3) 80 percent of the amount which would be produced by not more than thirty-six cents ($0.36) of the computed tax rate less twenty-four cents ($0.24), and (4) 90 percent of the amount which would be produced by the computed tax rate less thirty-six cents ($0.36).

(c) He shall allow to each unified school district maintaining a community college which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year. He shall then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 17701.4, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16) of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less thirty-two cents ($0.32), and (4) 90 percent of the amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

SEC. 2.7. Section 18057 of the Education Code is amended to read:

18057. He shall compute for each group of two or more school districts which have been continuously from a time prior to July 1, 1949, governed by boards of identical personnel during the preceding fiscal year and have maintained a single transportation system for all of such districts which provided for the transportation

of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year.

(a) He shall, if such group comprises an elementary school district and a high school district not maintaining a community college and each district provided for the transportation of pupils, or comprises an elementary school district, a high school district, and a community college district and each district except the community college district provided for the transportation of pupils residing in the district, or comprises a high school district and a community college district and each district provided for the transportation of pupils, then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of that one of such districts providing for the transportation of pupils which has the largest assessed valuation as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 17701.4, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than three cents ($0.03) he shall allow the district (1) 50 percent of the amount which would be produced by not more than twelve cents ($0.12) of the computed tax rate less three cents ($0.03), (2) 75 percent of the amount which would be produced by not more than twenty-four cents ($0.24) of the computed tax rate less twelve cents ($0.12), (3) 80 percent of the amount which would be produced by not more than thirty-six cents ($0.36) of the computed tax rate less twenty-four cents ($0.24), and (4) 90 percent of the amount which would be produced by the computed tax rate less thirty-six cents ($0.36).

(b) He shall, if such group comprises an elementary school district, and a high school district maintaining a community college, each of which provided for the transportation of pupils, including those attending the community college, or comprises an elementary school district, a high school district, and a community college district (other than one providing transportation only for pupils not residing in the district), each of which provided for the transportation of pupils, then determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of that one of such districts providing for the transportation of pupils which had the largest assessed valuation as shown by the equalized assessment roll of the district for the preceding fiscal year pursuant to Section 17701.4, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (1) 50 percent of the amount which would be produced by not more than sixteen cents ($0.16) of the computed tax rate less four cents ($0.04), (2) 75 percent of the amount which would be produced by not more than thirty-two cents ($0.32) of the computed tax rate less sixteen cents ($0.16), (3) 80 percent of the amount which would be produced by not more than forty-eight cents ($0.48) of the computed tax rate less

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thirty-two cents ($0.32), and (4) 90 percent of the amount which would be produced by the computed tax rate less forty-eight cents ($0.48).

He shall then allow to each district in the group the same ratio of the total amount computed for the group as the governing boards of the districts in the groups certify to him is the ratio the amount expended for such transportation in such district during the preceding fiscal year was of the total expenditures of all districts in the group for such transportation during the preceding fiscal year.

SEC. 2.8. Section 20905 of the Education Code is amended to read:

20905. For the 1974–75 fiscal year and each fiscal year thereafter, (a) the maximum general purpose tax rate for each elementary, high, and unified school district in the county shall be computed pursuant to this section by the county superintendent of schools.

(b) The revenue limit per foundation program unit of average daily attendance for the district for the prior fiscal year shall be divided into the appropriate foundation program amount per unit of average daily attendance for the prior year. If the quotient is greater than one, it shall be deemed to be one.

(c) The foundation program amount per unit of average daily attendance used as the dividend in subdivision (b) shall be determined by the Superintendent of Public Instruction pursuant to this subdivision. For elementary school districts, it shall be the foundation program for districts which have an average daily attendance of 901 or more. For high school districts it shall be the foundation program for districts with an average daily attendance of 301 or more. For unified districts, it shall be the sum of (1) the foundation program of elementary districts which have an average daily attendance of 901 or more multiplied by the elementary foundation program units of average daily attendance of unified districts in the second principal apportionment, plus (2) the foundation program for high school districts with an average daily attendance of 301 or more multiplied by the high school foundation program units of average daily attendance of unified districts in the second principal apportionment divided by the sum of the elementary and high school units of average daily attendance of unified districts in the second principal apportionment.

(d) The inflation adjustment shall be based on the increase in the foundation program amount per unit of average daily attendance for the budget year compared with the preceding year.

(e) The amount determined pursuant to subdivision (d) shall be multiplied by the quotient determined pursuant to subdivision (b). The resultant amount shall constitute the revenue limit inflation adjustment of the district per unit of average daily attendance.

(f) The revenue limit inflation adjustment shall be added to the prior year revenue limit per foundation program unit of average daily attendance of the district and the sum multiplied by the

estimated foundation program average daily attendance of the budget year. The product shall be the revenue limit of the district for the budget year.

(g) Any district which has a revenue limit computed pursuant to subdivision (f) which is equal to or less than the foundation program computed for the district pursuant to Article 2 (commencing with Section 17651), excluding Section 17668.5, Article 2.1 (commencing with Section 17651), and subdivision (a) of Section 17951 as adjusted pursuant to subdivision (e) of Section 17301 may increase its revenue limit computed pursuant to subdivision (f) to the lesser of the foundation program level of the district or the prior year revenue limit increased by fifteen percent (15%).

For the 1974–75 and 1975–76 fiscal years only, notwithstanding subdivision (g) if, due to changes in federal legislation or administrative policy, the entitlement under Public Law 81-874 is reduced or discontinued and is not replaced by other federal funding, and if a district experiencing such loss has a revenue limit less than the foundation program, it shall be allowed to increase the revenue limit by an amount equal to the difference between the Public Law 81-874 income per foundation program average daily attendance of the prior year and the estimated Public Law 81-874 income per unit of foundation program average daily attendance of the budget year, if any, multiplied by the estimated foundation program average daily attendance of the budget year. Such increased revenue limit shall not exceed the foundation program of the budget year.

(h) From the amount computed pursuant to subdivision (f) or (g), there shall be subtracted the basic state aid and state equalization aid to be received for the budget year, areawide aid to be received for the budget year, and the amount of income to be received from the equalization offset tax pursuant to Section 17263.1.

(i) The amount determined pursuant to subdivision (h) shall be (1) adjusted as provided in subdivision (d) of Section 10805 and (2) adjusted sufficiently to allow for the mandated increases for district contributions for the State Teachers' Retirement System as required by Section 14100. Such adjustment, together with any rate levied in any prior year pursuant to Section 14111, shall not exceed the revenue derived by the tax rate provided in Section 14111. The adjusted amount shall be the local revenue limit of the district for the budget year.

(j) From the amount computed pursuant to subdivision (i), there shall be subtracted the amount of money collected or to be collected as taxes on property on the unsecured roll of the budget year, excluding the amounts collected through the levy of taxes provided in Section 1905, 6880.16, 11872, 15517, 15518, 15708, 15709, 16750, 19443, 19619, 19683.5, 19687, 19688, 19695, 19700.3, 20801, 20911, or 22101 of the Education Code, Section 7456 of the Education Code for the purposes prescribed in Section 7453, but no greater than five

cents ($0.05) per one hundred dollars ($100) of assessed valuation, and Section 5302.5 of the Streets and Highways Code, and (2) the income from the prior year's taxes.

(k) From the amount computed pursuant to subdivision (j) there shall be subtracted the amount of money collected or to be collected as timber yield tax receipts pursuant to Part 18.5 (commencing with Section 38101) of the Revenue and Taxation Code.

(*l*) For the purposes of this subdivision, the assessed valuation used in computing the maximum tax rate is defined as the total actual assessed valuation, including business inventory and homeowners' exemption and exclusive of the assessed valuation increment used to allocate tax receipts to a redevelopment agency pursuant to Article 6 (commencing with Section 33670) of Chapter 6 of Part 1 of Division 24 of the Health and Safety Code.

The amount determined pursuant to subdivision (j) shall be divided by the amount of actual assessed valuation of the district on the secured roll after due allowance for delinquencies, pursuant to Section 20704. The quotient multiplied by 100 shall be the tax rate on each one hundred dollars ($100) of such assessed valuation and shall be the maximum general purpose tax rate which may be levied in the district during the 1973–74 fiscal year, exclusive of taxes provided in Section 1905, 6880.16, 11872, 15517, 15518, 15708, 15709, 16750, 19443, 19619, 19683.5, 19687, 19688, 19695, 19700.3, 20801, 20911, or 22101 of the Education Code, Section 7456 of the Education Code for the purposes prescribed in Section 7453 of the Education Code, but no greater than five cents ($0.05) per one hundred dollars ($100) of assessed valuation, and Section 5302.5 of the Streets and Highways Code. The revenue limit in subdivision (g) notwithstanding, in no case for districts receiving equalization aid, shall the tax rate be reduced below one dollar ($1) on the elementary level or eighty cents ($0.80) on the high school level or one dollar and eighty cents ($1.80) for a unified school district, except that when the district has levied upon it an areawide tax, such areawide tax rate levied shall be considered first as part of the minimum tax rate limit.

SEC. 4. Section 27423 is added to the Government Code, to read:

27423. (a) On or before May 1, 1977, the assessor of each county for the local roll and the State Board of Equalization for the board roll shall determine the average annual assessed value attributable to timber, as defined in subdivision (a) of Section 431 of the Revenue and Taxation Code, of each tax rate area for the 1972–73 to 1974–75 fiscal years, inclusive.

(b) Using the assessed values determined pursuant to subdivision (a), on or before June 1, 1977, the auditor of each county shall determine the average annual property tax revenues attributable to timber of each taxing agency for the 1972–73 to 1974–75 fiscal years, inclusive.

Each county auditor shall certify to the State Controller a list of this amount for each taxing agency in the county and the total of all such

amounts for the county. The auditor shall keep such records for each tax rate area as necessary to make distribution of funds pursuant to Section 38906 of the Revenue and Taxation Code.

(c) The State Controller may require that all information pertinent to subdivisions (a) and (b) be retained and may inspect all calculations of the county assessor and county auditor. The Controller or the board may adjust and correct any calculation deemed to be inaccurate. The sum of each county's calculations as adopted by the Controller shall be known as that county's "annual yield tax revenue guarantee", and shall be certified to the county auditor on or before August 15, 1977.

(d) On or before July 15, 1977, and July 15 of each year thereafter, the auditor shall certify to the Controller the amounts of property tax revenue attributable to timber for each taxing agency which was newly formed in the preceding fiscal year, and each taxing agency which was dissolved in the preceding fiscal year. For the purposes of this subdivision, the average annual assessed value attributable to timber for a taxing agency formed subsequent to June 30, 1976, shall be the sum of the values of the tax rate areas, as determined by the assessor pursuant to subdivision (a), which correspond to the agency's present boundaries, as if that agency had actually existed during fiscal years 1972–73 to 1974–75, inclusive, and the tax rate shall be that which the taxing agency was authorized to levy in the year the agency was formed. The Controller may adjust and correct any calculation deemed to be inaccurate.

(e) On or before August 15, 1977, and August 15 of each year thereafter, the Controller shall certify to the county auditor of each county in which one or more taxing agencies were either newly formed or dissolved during the preceding fiscal year a revised annual yield tax revenue guarantee. The amount added to or deducted from a county's previous annual yield tax revenue guarantee will be the property tax revenue attributable to timber, as certified to the Controller by the county auditor pursuant to subdivision (d). The revised annual yield tax revenue guarantee shall take effect for payments made to the county pursuant to subdivision (a) of Section 38905 and subdivision (a) of Section 38906 of the Revenue and Taxation Code in the current fiscal year, and shall remain in effect until subsequent revision under this subdivision.

(f) Upon receipt of the amount certified by the Controller pursuant to subdivision (c) or (e), the county auditor shall within 10 days certify to each taxing agency its share of this amount, and shall deliver to the county treasurer a schedule of these amounts for all taxing agencies in the county, to govern distribution of moneys pursuant to subdivision (a) of Section 38905 and subdivision (a) of Section 38906 of the Revenue and Taxation Code.

(g) For the purposes of this section, in the case of a change in the boundaries of a tax rate area, the assessor or the board shall apportion the property tax revenue attributable to timber according to the

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number of acres of timberland in each tax rate area affected by the boundary change.

(h) For the purposes of this section "tax rate area" means a geographical area in which there is a unique combination of tax levies.

SEC. 4.5. Chapter 6.7 (commencing with Section 51100) is added to Part 1 of Division 1 of Title 5 of the Government Code, to read:

CHAPTER 6.7. TIMBERLAND

Article 1. General Provisions

51100. As used in this chapter, unless otherwise apparent from the context:

(a) "Board" means the board of supervisors of a county or city and county, whether general law or chartered, which establishes or proposes to establish a timberland preserve zone pursuant to this chapter.

(b) "Contiguous" means two or more parcels of land that are adjoining or neighboring or are sufficiently near to each other, as determined by the board or council, that they are manageable as a single forest unit.

(c) "Council" means the city council of a city, whether general law or chartered, which establishes or proposes to establish a timberland preserve zone pursuant to this chapter.

(d) "County" or "city" means the county or city having jurisdiction over the land.

(e) "Timber" means trees of any species maintained for eventual harvest for forest products purposes, whether planted or of natural growth, standing or down, on privately or publicly owned land, including Christmas trees, but does not mean nursery stock.

(f) "Timberland" means privately owned land, or land acquired for state forest purposes, which is devoted to and used for growing and harvesting timber, or for growing and harvesting timber and compatible uses, and which is capable of growing an average annual volume of wood fiber of at least 15 cubic feet per acre.

(g) "Timberland preserve zone" means an area which has been zoned pursuant to Section 51112 or 51113 and is devoted to and used for growing and harvesting timber, or for growing and harvesting timber and compatible uses, as defined in subdivision (h).

(h) "Compatible use" is any use which does not significantly detract from the use of the property for, or inhibit, growing and harvesting timber, and shall include, but not be limited to, the following, unless in a specific instance such a use would be contrary to the preceding definition of compatible use:

(1) Management for watershed;

(2) Management for fish and wildlife habitat or hunting and fishing;

(3) A use integrally related to the growing, harvesting and processing of forest products, including but not limited to roads, log landings, and log storage areas;

(4) The erection, construction, alteration, or maintenance of gas, electric, water, or communication transmission facilities; or

(5) Grazing.

(i) "Parcel" means that portion of an assessor's parcel that is timberland, as defined.

(j) "Anniversary date" means the anniversary of the date on which a zoning ordinance enacted pursuant to Section 51112 or 51113 takes effect.

(k) "Tax rate area" means a geographical area in which there is a unique combination of tax levies.

Article 2. Establishment of Timberland Preserves

51110. (a) On or before September 1, 1976, the assessor shall assemble a list of all parcels, regardless of size, which as of the lien date in 1976, were assessed for growing and harvesting timber as the highest and best use of the land, including all such parcels or portions thereof under agricultural preserve contracts.

(b) On or before September 1, 1976, the assessor shall notify by mail, which is certified and with return receipt requested, owners of parcels listed under subdivision (a) that their land has been included in such a list. This notice shall be substantially in the following form:

To: (name of taxpayer)

Pursuant to the Z'berg-Warren-Keene-Collier Forest Taxation Reform Act of 1976, _____ County must provide for the zoning of land used for growing and harvesting timber as timberland preserve zone (TPZ).

A TPZ is a 10-year restriction on the use of land, and will replace the use of agricultural preserves (Williamson Act contracts) on timberland. Land use under a TPZ will be restricted to growing and harvesting timber, and to compatible uses approved by the county (or city). In return, taxation of timberland under a TPZ will be based only on such restrictions in use.

To initiate this zoning procedure, the assessor has assembled a list (list "A") of all those parcels assessed for property tax purposes for growing and harvesting timber as the highest and best use of the land as of March 1, 1976. The following parcels of your land have been included in this list "A":

(legal description or assessor's parcel no.)

If you have one or more parcels listed above which you believe have a highest and best use other than growing and harvesting

timber, you must submit to the assessor a written affidavit describing the intended use you have for this parcel(s), and do so before October 1, 1976. The assessor will then designate such parcel(s) as "contested" on the final list of these parcels which is submitted to the county board of supervisors (or city council) on October 15, 1976.

A public hearing will be held prior to March 1, 1977, for the consideration of zoning your parcel(s) as TPZ. You will be given at least 20 days' notice of such hearing.

Under the Timber Yield Tax Law, all noncontested parcels included in the final list "A" will be zoned as TPZ unless the owner can demonstrate to the satisfaction of a majority of the full board (or council) that at least one of the following conditions exists:

(i) That the parcel or parcels are not capable of growing an average annual volume of wood fiber of at least 15 cubic feet per acre; or

(ii) That the current use of the parcel has changed subsequent to March 1, 1976, and that such use is no longer the growing and harvesting of timber, and is not compatible with the growing and harvesting of timber.

Parcels designated as "contested" which appear on list "A" will be zoned as TPZ unless the owner can demonstrate to the satisfaction of a majority of the full board (or council) that it would not be in the public interest for such parcels(s) to be zoned as TPZ. Parcels in list "A" not zoned as TPZ will receive an alternate zone, if no appropriate zone currently exists. "Contested" parcels not zoned as TPZ will be valued in the future on a higher and better use of the land.

Detailed information on the TPZ zoning process and the Z'berg-Warren-Keene-Collier Forest Taxation Reform Act in general may be obtained from your county assessor's office.

(c) Upon notification pursuant to subdivision (b) owners of parcels listed pursuant to subdivision (a) may have one or more such parcels designated as "contested" in the following manner:

On or before October 1, 1976, the owner must notify the assessor in a written affidavit that such a parcel has the highest and best use which is not a compatible use for timberland, as determined by the board or council pursuant to Section 51111, and the owner shall state the intended use for such parcel.

Upon receipt of such affidavit, the assessor shall designate such parcels on the list to be submitted to the board or council pursuant to subdivision (d) as "contested". In preparing the assessment roll for the 1977–78 fiscal year and each fiscal year thereafter, the assessor shall take into account the owner's notice of higher and better use in determining the fair market value for such parcels, if such parcels are not zoned as timberland preserve.

(d) On or before October 15, 1976, the assessor shall submit to the board or council a list of all parcels, regardless of size, which as of the lien date in 1976, are assessed for growing and harvesting timber as

the highest and best use of the land, including such parcels designated as "contested" pursuant to subdivision (c). This list shall be known as "list A".

(e) On or before August 19, 1976, the State Board of Equalization shall submit to the county assessor for inclusion in list A those parcels on the board roll which are located in the county and which, as of the lien date in 1976, were assessed by the State Board of Equalization for growing and harvesting timber as the highest and best use of the land.

51110.1. (a) On or before September 1, 1977, the assessor shall assemble a list of all parcels, which, as of the lien date in 1976, appeared in the judgment of the assessor to constitute timberland, but which were not assessed for growing and harvesting timber as the highest and best use of the land.

(b) On or before September 1, 1977, the assessor shall notify by mail, which is certified and with return receipt requested, owners of parcels listed under subdivision (a) that their land has been included in such a list. This notice shall be substantially in the following form:

To: (name of taxpayer)

Pursuant to the Z'berg-Warren-Keene-Collier Forest Taxation Reform Act of 1976, _____ County must provide for the zoning of land used for growing and harvesting timber as timberland preserve zone (TPZ).

A TPZ is a 10-year restriction on the use of land, and will replace the use of agricultural preserves (Williamson Act contracts) on timberland. Land use under a TPZ will be restricted to growing and harvesting timber, and to compatible uses approved by the county (or city). In return, taxation of timberland under a TPZ will be based only on such restrictions in use.

As part of this zoning procedure, the assessor has assembled a list (list "B") of all those parcels which appear to be land used for growing and harvesting timber, but which are not assessed for property tax purposes as this being the highest and best use of the land. The following parcels of your land have been included in this list "B":

(legal description or assessor's parcel no.)

A public hearing will be held prior to March 1, 1978, for the consideration of zoning your parcel(s) as TPZ. You will be given at least 20 days' notice of such hearing.

Under the Z'berg-Warren-Keene-Collier Forest Taxation Reform Act, all parcels included in this list "B" will be zoned as TPZ unless the owner can demonstrate to the satisfaction of a majority of the full board (or council) that it would not be in the public interest for such parcel(s) to be zoned as TPZ. Parcels on list "B" not zoned as TPZ

will receive an alternate zone, if no appropriate zone currently exists.

Detailed information on the TPZ zoning process and the Z'berg-Warren-Keene-Collier Forest Taxation Reform Act in general may be obtained from your county assessor's office.

(c) On or before October 15, 1977, the assessor shall submit to the board or council a list of all parcels, which as of the lien date in 1976, appear to constitute timberland, but which are not assessed for growing and harvesting timber as the highest and best use of the land. This list shall be known as "list B".

(d) On or before August 19, 1977, the State Board of Equalization shall submit to the county assessor, for inclusion in list B, those parcels on the board roll which are located in the county and which as of the lien date in 1976, appear to constitute timberland, but which were not assessed by the State Board of Equalization for growing and harvesting timber as the highest and best use of the land.

51110.2. The county or city planning commission shall hold a public hearing on parcels referred to it for review by the board or council pursuant to subdivision (d) of Section 51110 and subdivision (c) of Section 51110.1 according to Section 65854 of this code, and shall render its decision in the form of a written recommendation to the board or council according to Section 65855 of this code. The planning commission shall include in its recommendation to the board or council considerations as to the exact zoning boundaries to be drawn within each assessors parcel contained in list A or list B.

51111. On or before October 1, 1976, the board or council shall adopt a list and a detailed description of additional compatible uses for parcels zoned as timberland preserve.

51112. (a) On or before March 1, 1977, the board or council by ordinance, after the advice of the planning commission pursuant to Section 51110.2, and after public hearing, shall zone as timberland preserve all parcels appearing on list A submitted by the assessor pursuant to subdivision (d) of Section 51110 which are not designated as "contested," unless it finds by a majority vote of the full body that a parcel or parcels are not devoted to and used for growing and harvesting timber or for growing and harvesting timber and compatible uses.

The basis for such a finding is limited to either of the following:

(1) The parcel is not in fact capable of growing an average annual volume of wood fiber of at least 15 cubic feet per acre;

(2) The use of the parcel has changed subsequent to the lien date in 1976, and that such use no longer meets the definition of timberland, or of compatible uses as defined and as adopted by the board or council pursuant to Section 51111.

(b) On or before March 1, 1977, the board or council by ordinance, after the advice of the planning commission pursuant to Section 51110.2, and after public hearing, shall zone as timberland preserve all parcels appearing on list A which are designated as "contested"

pursuant to subdivision (c) of Section 51110, except those parcels which it finds by a majority vote of the full body to be in the public interest to exclude from such a zone.

(c) On or before March 1, 1978, the board or council by ordinance, after the advice of the planning commission pursuant to Section 51110.2, and after public hearing, shall zone as timberland preserve all parcels appearing on list B submitted by the assessor pursuant to subdivision (c) of Section 51110.1, except those parcels which it finds by a majority vote of the full body to be in the public interest to exclude from such a zone.

(d) On parcels excluded from the timberland preserve zone under this section, the board or council shall apply an alternate zone which is in conformance with the county general plan and whose primary use is other than timberland, if no such appropriate zone currently applies to such parcels.

(e) The owner of the land shall be given written notice at least 20 days prior to the hearing of the board or council, and notice of hearing shall be published pursuant to Section 6061 of this code, and shall include a legal description, or the assessor's parcel number, of the land which is proposed to be included within the timberland preserve zone.

51113. (a) After November 1, 1977, an owner may petition the board or council to zone his land as timberland preserve. The board or council by ordinance, after the advice of the planning commission pursuant to Section 51110.2, and after public hearing, shall zone as timberland preserve all parcels submitted to it by petition pursuant to this section, which meet all of the criteria adopted pursuant to subdivision (c). Any owner who has so petitioned and whose land is not zoned as timberland preserve may petition the board or council for a rehearing on the zoning.

(b) The board or council, on or before March 1, 1977, by resolution, shall adopt procedures for initiating, filing and processing petitions for timberland preserve zoning and for rezoning. Such rules shall be applied uniformly throughout the county or city.

(c) On or before March 1, 1977, the board or council by ordinance shall adopt a list of criteria required to be met by parcels being considered for zoning as timberland preserve under this section. Such criteria shall not impose any requirements in addition to those listed in this subdivision and in subdivision (d) below. The following shall be included in such criteria:

(1) A map shall be prepared showing the legal description or the assessor's parcel number of the property desired to be zoned;

(2) A plan for forest management must be prepared or approved as to content, for the property by a registered professional forester. Such plan shall provide for the eventual harvest of timber within a reasonable period of time, as determined by the preparer of the plan;

(3) The parcel shall currently meet the timber stocking standards as set forth in Section 4561 of the Public Resources Code and the

forest practice rules adopted by the State Board of Forestry for the district in which the parcel is located, or the owner must sign an agreement with the board or council to meet such stocking standards and forest practice rules by the fifth anniversary of the signing of such agreement. If the parcel is subsequently zoned as timberland preserve under subdivision (a), then failure to meet such stocking standards and forest practice rules within this time period provides the board or council with a ground for rezoning of the parcel pursuant to Section 51121.

(d) The criteria required by subdivision (c) may also include any or all of the following:

(1) The land area concerned shall be in the ownership of one person, as defined in Section 38106 of the Revenue and Taxation Code, and shall be comprised of single or contiguous parcels of a certain number of acres, provided, that such number required may not exceed 160 acres or one quarter section;

(2) The land shall be a certain site quality class or higher under Section 434 of the Revenue and Taxation Code; provided, that the parcel shall not be required to be of the two highest site quality classes.

51113.5. (a) After March 1, 1977, an owner with timberlands in a timberland preserve zone pursuant to Sections 51112 or 51113 may petition the board or council to add to his timberland preserve recently acquired lands that meet the criteria of subdivision (f) of Section 51100 or other holdings that now satisfy that section. Section 51113 shall not apply to these lands.

(b) In the event of land exchanges with, or acquisitions from, a public agency in which the size of an owner's parcel or parcels zoned as timberland preserve pursuant to Sections 51112 or 51113 is reduced, the timberland preserve shall not be removed from the parcel except pursuant to Section 51121 and except for a cause other than the smaller parcel size.

51114. Parcels zoned as timberland preserve shall be zoned as such for an initial term of 10 years. On the first and each subsequent anniversary date of the initial zoning, a year shall be added to the initial term of 10 years, unless a notice of rezoning is given as provided in Section 51120.

51115. Parcels zoned as timberland preserve shall be zoned so as to restrict their use to growing and harvesting timber and to compatible uses and shall be entered as a timber preserve element of the county general plan.

51116. The county or city may bring any action in court necessary to prohibit a use not permitted with respect to land zoned as timberland preserve including, but not limited to, an action to enforce the zoning restrictions by specific performance or injunction.

51117. When land is zoned as timberland preserve or subsequently rezoned from a timberland preserve zone and after

exhaustion of appeals, a notice of timberland preserve zone status, together with a map and assessor's parcel numbers describing such land, shall be recorded by the city or county in the recorder's office in the same manner as deeds are recorded.

51118. Land zoned as timberland preserve under this chapter shall be enforceably restricted within the meaning of Section 3(j) of Article XIII of the Constitution and the restriction shall be enforced and administered by the city or county in such a manner as to accomplish the purposes of that section and this chapter.

51119. Adoption of timberland preserve zones pursuant to this chapter shall be exempt from the requirements of Section 21151 of the Public Resources Code.

51119.5. Parcels zoned as timberland preserve under this chapter may not be divided into parcels containing less than 160 acres unless owners of resulting parcels submit a joint timber management plan prepared or approved as to content by a registered professional forester, and such owners enter into a binding contract with the board or council to manage and harvest timber on the timberland jointly, and are bound by the provisions of such management plan for a minimum period of 10 years. Such division shall be approved by a four-fifths vote of the full board or council.

Article 3. Rezoning

51120. (a) If the owner desires in any year to rezone a parcel from its current timberland preserve zone, the owner shall give written notice, naming the new zone desired, and shall follow procedures established pursuant to Sections 65854 to 65857, inclusive, of the Government Code. Unless the written notice is given at least 90 days prior to the anniversary date of initial zoning, the zoning term shall be deemed extended.

(b) Within 120 days of receipt of the written notice of an owner's desire to rezone a parcel, the board or council, after a public hearing, shall rule on the request for rezoning.

(c) The board or council by a majority vote of the full body may remove the parcel from the timberland preserve zone and shall specify a new zone for the parcel.

(d) The new zone approved pursuant to subdivision (c) shall become effective 10 years from the date of approval. Upon rezoning the parcel shall be valued pursuant to Section 426 of the Revenue and Taxation Code, in the same manner as if a restriction were terminated as provided for in Section 51091 or 51245 of this code.

(e) If the board or council denies the owner's request for change of zone pursuant to subdivision (b), the owner may petition for a rehearing.

51121. (a) If the board or council after public hearing and by a majority vote of the full body desires in any year not to extend the term of zoning, the county or city shall give written notice of its

intent to rezone following procedures established pursuant to subdivision (b) of Section 51113. A proposed new zone shall be specified. Unless the written notice is given at least 90 days prior to the anniversary date of the intitial zoning, the zoning term shall be deemed extended.

(b) Upon receipt by the owner of a notice of nonrenewal from the county or city, the owner may make written protest of the notice and may appeal to the board or council within 30 days of notice from the county or city. The board or council may at any time prior to the anniversary date withdraw the notice of nonrenewal.

(c) Upon receipt from the owner of a written protest of the zoning change, the board or council shall hold a public hearing on the proposed change and by a majority vote of the full body may reaffirm its intent to change the zoning and specify a new zone.

(d) A new zone of a parcel shall be effective 10 years from the date of the date pursuant to subdivision (a), or in the case of a public hearing, the date of the reaffirmation vote pursuant to subdivision (c). Upon rezoning the parcel shall be valued pursuant to Section 426 of the Revenue and Taxation Code.

(e) The owner may petition to be reheard.

Article 4. Immediate Rezoning

51130. The purpose of this article is to provide relief from zoning as timberland preserve pursuant to this chapter only when the continued use of land in the timberland preserve is neither necessary nor desirable to accomplish the purposes of Section 3(j) of Article XIII of the Constitution and of this chapter.

51131. A timberland preserve zone may not be immediately rezoned except pursuant to a request by a landowner, and as provided in this article.

51132. A landowner may apply in writing to the board or council for the immediate rezoning of all or part of a parcel. The application shall include such information as the board or council determines to be necessary to evaluate the proposed use, including the application for conversion, if conversion is required pursuant to Section 4621 of the Public Resources Code, and such application has been conditionally approved pursuant to Section 4621.2 of such code. Immediate rezoning may be approved only if a public hearing is held with notice of the hearing being given pursuant to Section 51284. If immediate rezoning is desired for only a portion of a parcel, the remaining portion must meet the requirements of timberland in a timberland preserve, as provided in this chapter.

Upon approval of an immediate rezoning request the board or council shall remove the parcel from the timberland preserve zone and shall specify a new zone for such parcel.

51133. If application for conversion is required pursuant to Section 4621 of the Public Resources Code, the board or council may

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tentatively approve the immediate rezoning after notice and hearing and upon a four-fifths vote of the full body. The board or council shall forward its tentative approval to the State Board of Forestry, together with the application for immediate rezoning, a summary of the public hearing and any other information required by the Board of Forestry. The Board of Forestry shall consider the tentative approval pursuant to Section 4621.2 of the Public Resources Code. Final approval to an immediate rezoning is given only if the Board of Forestry has approved conversion pursuant to Section 4621.2 of the Public Resources Code. Upon such final approval of immediate rezoning, the Board of Forestry shall notify the board or council of such approval, and the board or council shall remove the parcel from the timberland preserve zone and shall specify a new zone for such parcel.

51134. (a) If an application for conversion is not required pursuant to Section 4621 of the Public Resources Code, the board or council may approve the immediate rezoning request only if by a four-fifths vote of the full board or council it makes written findings that:

(1) The immediate rezoning would be in the public interest; and

(2) The immediate rezoning would not have a substantial and unmitigated adverse effect upon the continued timber-growing use or open-space use of other land zoned as timberland preserve and situated within one mile of the exterior boundary of the land upon which immediate rezoning is proposed.

(3) The soils, slopes, and watershed conditions would be suitable for the uses proposed if the conversion were improved.

(b) The existence of an opportunity for an alternative use of the land shall not alone be sufficient reason for granting a request for immediate rezoning. Immediate rezoning shall be considered only if there is no proximate and suitable land which is not zoned timberland preserve for the alternate use not permitted within a timberland preserve zone.

(c) The uneconomic character of the existing use shall not be sufficient reason for the approval of immediate rezoning. The uneconomic character of the existing use may be considered only if there is no other reasonable or comparable timber-growing use to which the land may be put.

(d) Immediate rezoning action shall comply with all the applicable provisions of state law and local ordinances.

(e) The county or city may require the payment of a fee by the landowner for the cost of processing the application and recording the necessary documentation.

Article 5. Removal From Zone

51140. Upon rezoning, the board or council shall certify the rezoning indicating the new zone and its effective date.

51141. A copy of the certification of rezoning together with the map and assessor's parcel numbers for the rezoned land shall be recorded by the city or county in the recorder's office in the same manner as deeds are recorded, and commencing on the lien date next following the effective date of the new zone, such land shall be assessed on the same basis as real property is assessed generally in that county. The assessor may require a description of the portion of the property rezoned as provided in Section 456 of the Revenue and Taxation Code.

51142. (a) Upon immediate rezoning of a parcel in a timberland preserve zone, a tax recoupment fee shall be imposed on the owner of the land. Within 90 days following rezoning of land in the timberland preserve the county assessor shall reassess the rezoned parcels on the basis of the value of the property in its rezoned use. The assessor shall certify this value to the owner of the land and to the county auditor. The owner may appeal this new valuation in the same manner as an assessment appeal. Except when under such an appeal, after such certification the auditor shall, in cases of immediate rezoning, within 10 days compute the tax recoupment fee and certify the amount to the tax collector. The tax collector shall notify the owner in writing of the amount and due date of the fee. Fees shall be due 60 days after receipt of notification.

(b) The tax recoupment fee shall apply only in cases of immediate rezoning and shall be a multiple of the difference between the amount of the tax last levied against the property when zoned as timberland preserve and the amount equal to the assessed valuation of the rezoned property times the tax rate of the current levy for the tax rate area, such multiple to be chosen from the following table according to subdivision (c):

Year	Multiple
1	1.06000
2	2.18360
3	3.37462
4	4.63709
5	5.97332
6	7.39384
7	8.89747
8	10.49132
9	12.18080
10	13.97164

(c) The multiple shall correspond to the number of years or fraction thereof, but in no event greater than 10, for which the land was zoned as timberland preserve or was subject to a contract under chapter 7 (commencing with Section 51200).

(d) Tax recoupment fees imposed pursuant to this section shall be due and payable to the State of California, and shall be placed in the

Timber Tax Reserve Fund pursuant to Section 38902 of the Revenue and Taxation Code.

(e) In cases of immediate rezoning, an owner may make written application to the State Board of Equalization requesting waiver of tax recoupment fees and explaining the reasons therefor. The board, if it determines that it is in the public interest, may waive all or any portion of the fee.

51146. A fee imposed under this article shall be indicated on the assessment roll and when so indicated shall become a lien against the parcel of land in the same manner as county general taxes.

SEC. 5. Section 51230 of the Government Code is amended to read:

51230. Beginning January 1, 1971, any county or city having a general plan, and until December 31, 1970, any county or city, by resolution, and after a public hearing may establish an agricultural preserve. Notice of the hearing shall be published pursuant to Section 6061 of this code, and shall include a legal description, or the assessor's parcel number, of the land which is proposed to be included within the preserve. Such preserves shall be established for the purpose of defining the boundaries of those areas within which the city or county will be willing to enter into contracts pursuant to this act. An agricultural preserve shall consist of no less than 100 acres; provided, that in order to meet this requirement two or more parcels may be combined if they are contiguous or if they are in common ownership; and further provided, that in order to meet this requirement land zoned as timberland pursuant to Chapter 6.7 (commencing with Section 51100) may be taken into account.

A county or city may establish agricultural preserves of less than 100 acres if it finds that smaller preserves are necessary due to the unique characteristics of the agricultural enterprises in the area and that the establishment of preserves of less than 100 acres is consistent with the general plan of the county or city.

An agricultural preserve may contain land other than agricultural land, but the use of any land within the preserve and not under contract shall within two years of the effective date of any contract on land within the preserve be restricted by zoning or other suitable means in such a way as not to be incompatible with the agricultural use of the land, the use of which is limited by contract in accordance with this chapter.

Failure on the part of the board or council to restrict the use of land within a preserve but not subject to contract shall not be sufficient reason to cancel or otherwise invalidate a contract.

SEC. 6. Section 51246 of the Government Code is amended to read:

51246. If the county or city or the landowner serves notice of intent in any year not to renew the contract, the existing contract shall remain in effect for the balance of the period remaining since

the original execution or the last renewal of the contract, as the case may be.

No city or county shall enter into a new contract or shall renew an existing contract on or after February 28, 1977, with respect to timberland zoned as timberland preserve. The city or county shall serve notice of its intent not to renew the contract as provided in this section.

Notwithstanding any other provision of law, commencing with the lien date for the 1977–78 fiscal year all timberland within an existing contract which has been nonrenewed as mandated by this section shall be valued according to Section 423.5 of the Revenue and Taxation Code, succeeding to and including the lien date for the 1981–82 fiscal year. Commencing with the lien date for the 1982–83 fiscal year and succeeding until the end of the contract, such timberland shall be valued according to Section 426 of the Revenue and Taxation Code. Commencing with the lien date next succeeding the termination date of the contract, and on each lien date thereafter, such timberland shall be valued according to Section 434.5 of the Revenue and Taxation Code.

SEC. 6.5. Section 51282.5 is added to the Government Code, to read:

51282.5. The owner of any land which has been zoned as a timberland preserve pursuant to Section 51112 or 51113, and such zoning has been recorded as provided in Section 51117, may petition the board or council for cancellation of any contract as to all or part of such land. Upon such petition the board or council shall approve the cancellation of such contract.

The provisions of Section 51283 shall not apply to any cancellation under this section, and no cancellation fee shall be imposed.

SEC. 6.7. Section 65041 of the Government Code is amended to read:

65041. The Governor shall prepare and thereafter shall cause to be maintained, regularly reviewed and revised a comprehensive State Environmental Goals and Policy Report. In the preparation of the report, priority shall be given to the development of statewide land use policy, including the recommendations resulting from the land use planning and implementation program set forth in Section 4 of the act adding this section. Such report shall also give an evaluation, after consultation with the California Division of Forestry, of the effect of the timber yield tax and timberland preserve zoning on the forest resources of the state on or before March 1, 1980. The report shall identify any problems with forest practices resulting from timberland preserve zoning, and the possibilities for its expansion to timberland not so zoned, and it shall include recommendations for improvements. The report shall contain, but not be limited to, the following:

(a) An overview, looking 20 to 30 years ahead, of state growth and development and a statement of approved state environmental goals and objectives, including those directed to land use, population

growth and distribution, urban expansion and the conservation of natural resources.

(b) Description of new and revised state policies, programs and other actions of the executive and legislative branches required to implement statewide environmental goals, including intermediate-range plans and actions directed to natural resources, human resources and transportation.

SEC. 7. Section 4582.8 is added to the Public Resources Code, to read:

4582.8. (a) On or before January 1, 1977, the State Forester shall transmit a copy of all timber harvesting plans deemed to be in conformance under Section 4582.7, which are in effect on that date, to the State Board of Equalization and to the assessors of the counties in which the timber subject to the harvesting plans is located.

On or before March 1, 1977, the county assessor shall assign the appropriate tax rate area designations to the plan and transmit a copy thereof to the timber owner listed in the timber harvesting plan and to the State Board of Equalization.

(b) Effective on January 1, 1977, within 10 days after a timber harvesting plan is deemed in conformance under Section 4582.7, or within 10 days after receipt of a notice of timber operations pursuant to subdivision (c), the State Forester shall transmit copies thereof to the State Board of Equalization and the assessor of the county in which the timber subject to the harvesting plan or notice is located.

Within 10 days after receipt of a copy of the timber harvesting plan or notice, the county assessor shall assign the appropriate tax rate area designations to the plan or notice and transmit copies thereof to the timber owner listed in the timber harvesting plan or notice and to the State Board of Equalization.

(c) Effective on March 1, 1977, within 10 days of harvesting timber on land not subject to a timber harvesting plan, including public lands of a federal agency, each timber owner or operator shall notify the county assessor of the location of such harvest and the assessor shall assign the appropriate tax rate area designations and shall transmit copies thereof to the timber operator, if the land from which the timber is to be harvested is public land of a federal agency, or to the timber owner, if such land is timberland, as defined in Section 51100 of the Government Code, and to the State Board of Equalization.

SEC. 8. Section 4621.2 is added to the Public Resources Code, to read:

4621.2. (a) If the timberlands which are to be devoted to uses other than the growing of timber are zoned as timberland preserve zones under Section 51112 or 51113 of the Government Code, the application shall specify the proposed alternate use and shall include such information as the board determines to be necessary to evaluate the proposed alternate use. The board shall approve such application for conversion only if the board makes written findings that:

(1) The conversion would be in the public interest; and

(2) The conversion would not have a substantial and unmitigated adverse effect upon the continued timber-growing use or open-space use of other land zoned as timberland preserve and situated within one mile of the exterior boundary of the land upon which immediate rezoning is proposed; and

(3) The soils, slopes, and watershed conditions would be suitable for the uses proposed if the conversion were approved.

(b) The existence of an opportunity for an alternative use of the land shall not alone be sufficient reason for conditionally approving an application for conversion. Conversion shall be considered only if there is no proximate and suitable land which is not zoned timberland preserve for the alternate use not permitted within a timberland preserve zone.

(c) The uneconomic character of the existing use shall not be sufficient reason for the conditional approval of conversion. The uneconomic character of the existing use may be considered only if there is no other reasonable or comparable timber-growing use to which the land may be put.

(d) The board shall establish and publish a rate schedule of fees to be paid by the landowner for the cost of processing the application and recording the necessary documentation.

(e) In the event that the board delegates its responsibilities under this section to the State Forester pursuant to Section 4627, the State Forester shall make the written findings required by subdivision (a). In the event that the State Forester denies a conversion, the applicant may request a hearing before the board within 15 days of the denial. Such hearing shall be scheduled within 60 days from the filing of the appeal.

SEC. 8.2. Section 4624 of the Public Resources Code is amended to read:

4624. The board shall deny a timberland conversion permit for any of the following reasons:

(a) The applicant is not the real person in interest.

(b) Material misrepresentation or false statement in the application.

(c) The applicant does not have a bona fide intention to convert the land.

(d) The failure or refusal of the applicant to comply with the rules and regulations of the board and the provisions of this chapter.

(e) The failure of the proposed alternate use in the application to meet the findings required in subdivision (a) of Section 4621.2 and other provisions of that section.

SEC. 9. Section 423.9 is added to the Revenue and Taxation Code, to read:

423.9. Land which is zoned as timberland preserve pursuant to Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5 of the Government Code and which is not under an

open-space contract pursuant to Section 51240 of the Government Code shall be valued pursuant to Section 435.

SEC. 10. Section 431 of the Revenue and Taxation Code is amended and renumbered to read:

430. There shall be a rebuttable presumption that the present use of open-space land which is enforceably restricted and devoted to agricultural use is its highest and best agricultural use.

SEC. 10.5. Section 432 of the Revenue and Taxation Code is amended and renumbered to read:

430.5. No land shall be valued pursuant to this article unless an enforceable restriction meeting the requirements of Section 422 is signed, accepted and recorded on or before the lien date for the fiscal year to which the valuation would apply. To assure counties and cities time to meet the requirement of this section, the land which is to be subject to a contract shall have been included in a proposal to establish an agricultural preserve submitted to the planning commission or planning department, or the matter of accepting an open-space easement or scenic restriction shall have been referred to such commission or department on or before December 15 preceding the lien date to which the contract, easement or restriction is to apply.

SEC. 11. Article 1.7 (commencing with Section 431) is added to Chapter 3 of Part 2 of Division 1 of the Revenue and Taxation Code, to read:

Article 1.7. Valuation of Timberland and Timber

431. For purposes of this article:

(a) "Timber" means trees of any species maintained for eventual harvest for forest products purposes, whether planted or of natural growth, standing or down, on privately or publicly owned lands, including Christmas trees, but does not mean nursery stock.

(b) "Timberland" means land zoned pursuant to Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5 of the Government Code.

(c) "Timber Advisory Committee" means a standing committee appointed by the board composed of one representative of the Board of Equalization, one representative of the Board of Forestry, five assessors from the rate adjustment counties defined in Section 38105, and one member representing small-scale timber owners, and one member representing large-scale timber owners.

432. Any rule or regulation required to be adopted pursuant to this article shall be in compliance with procedures set forth for adoption of rules under the Administrative Procedure Act.

433. When land is zoned as timberland preserve a notation of such zoning shall be made on the assessment rolls by the words "Timberland Preserve Zone" or the initials "T.P.Z."

434. On or before September 1, 1976, the board after consultation

with the Timber Advisory Committee shall prepare instructions setting forth temporary criteria and procedures for grading timberland on the basis of its site quality and operability. Five general site quality classes shall be established. These classes shall be the same as those adopted by the Board of Forestry pursuant to subdivision (d) of Section 4528 and Section 4551 of the Public Resources Code. Within each of the five site quality classes, appropriate classes of operability shall be established, based on such factors as accessibility, topography, and legislative or administrative restraints. On or before December 31, 1979, these classes shall be designated as operative or inoperative. Commencing with January 1, 1980, the board shall determine appropriate designations of operability. On or before March 1, 1977, each assessor shall grade all timberland within the county on the basis of these instructions. The assessor's grading is subject to the appeals procedure established by law for other assessments, as provided in Chapter 4 (commencing with Section 751 of Part 2 and Chapter 1 (commencing with Section 1601) of Part 3 of this division.

434.1. (a) On or before March 1, 1977, the board after consultation with the Timber Advisory Committee shall adopt rules setting forth final procedures for grading timberland on the basis of its site quality and operability. Such rules shall follow the format set forth in Section 434.

(b) On or before March 1, 1978, each assessor in accordance with rules set forth in subdivision (a) shall grade all timberland in his county. The assessor's grading is subject to the appeals procedure established by law for other assessments as provided in Chapter 1 (commencing with Section 1601) of Part 3.

434.2. Within 30 days of the effective date of this section, the board shall appoint the timber advisory committee as defined in subdivision (c) of Section 431.

434.5. (a) On March 1, 1977 and March 1 of each year thereafter, up to and including March 1, 1979, timberland shall be valued according to the following schedule:

Redwood Region		Pine-Mixed Conifer Region	
Site I	$80	Site I	$60
Site II	$60	Site II	$50
Site III	$50	Site III	$40
Site IV	$30	Site IV	$30
Site V (and inoperable)	$20	Site V (and inoperable)	$20

When the assessor, pursuant to Section 434, designates a timberland parcel or portion thereof as inoperable, such timberland parcel or portion thereof shall be valued as if it is site V.

The Legislature finds and declares that the foregoing values are consistent with the taxation of timberland used primarily for growing

timber and that these values are consistent with the intent of Section 3j Article 13 of the Constitution.

(b) On or before January 1, 1980, and every third year thereafter, the board after consultation with the timber advisory committee and in compliance with procedures set forth for adoption of rules under the Administration Procedure Act, shall adopt schedules reestablishing the value of each grade of timberland graded pursuant to Section 434 as if it were bare of forest growth, and recognizing that the restricted use of the land is for growing and harvesting timber and compatible uses. The board shall certify such values to county assessors by January 10 of each year. Such schedule shall remain in effect until subsequent revision pursuant to the provisions of this subdivision.

(c) Commencing January 1, 1977, the board shall collect such data as may be necessary to accurately value timberland pursuant to subdivision (b).

(d) In promulgating regulations pursuant to subdivision (b) the board shall determine the value of such timberland subject to the following:

(1) The board shall base the value of such land upon the existence of a 10-year enforceable restriction using commonly accepted systems of valuation;

(2) When the board is valuing timberland property within a timberland preserve zone by comparison with sales of other timberland properties in order to be considered comparable, the properties sold shall be at least 160 acres in size and shall be similarly restricted under a timberland preserve zone. Size and any discount for size and amenities shall not be factors in determining the value of land zoned as timberland preserve which is valued by a method employing the use of comparable sales.

(e) For purposes of this section the value of each acre of timberland within each site class, within a timberland preserve zone, shall be presumed no greater than the value derived pursuant to subdivision (f).

(f) The board shall:

(1) Prepare, or cause to be prepared, timberland site capability tables which shall prescribe by site classification the potential annual yield of wood by species of mixture of species per acre.

(2) Multiply the potential annual yield by 10 percent.

(3) Multiply the result of paragraph (2) by an immediate harvest value, averaged for the previous 20 quarters, that is appropriate for the geographical area wherein such timberland values shall be applied.

(4) Divide the result of paragraph (3) by a capitalization rate of 10 percent expressed as a decimal.

Pursuant to (2) of this subsection, the Legislature declares that 10 percent is the average percent of income from potential annual yield of wood that can be attributed to timberland as a productive

component contributing to such income and the Legislature finds that it is in the public interest that values derived from analysis of sales of timberland restricted under timberland preserve zones shall not exceed this percentage.

(g) For the purposes of this section, the value of each acre of timberland within a timberland preserve zone shall be presumed to be no less than twenty dollars ($20) per acre.

435. In preparing the assessment roll for the 1977–78 fiscal year and each fiscal year thereafter, the assessor shall use as the value of each parcel of timberland the appropriate grade value certified to him by the board, pursuant to Section 434.5 plus the value, if any, attributable to existing, compatible, nonexclusive uses of the land. The assessor shall apply the ratio prescribed by Section 401 to obtain its assessed value. Assessments of values attributable to compatible uses determined in accordance with this part are subject to the appeals procedure established by law for other assessments.

Nothing in this article shall prevent the assessor in valuing timberland from taking into consideration the existence of any mines, minerals and quarries in or upon the land being valued, including but not limited to geothermal resources and oil, gas, and other hydrocarbon substances.

The provisions of this article shall not apply to any structure on the land being valued or to an area of reasonable size used as a site for approved compatible uses.

436. On the lien date for the 1977–78 fiscal year and thereafter, all timber on both privately and publicly owned lands shall be exempt from property taxation, including possessory interest taxation, and shall not be assessed for taxation purposes. Nothing herein shall preclude the assessment of trees standing on land not zoned as timberland preserve under this article for purposes of property taxation based on their aesthetic or amenity value.

437. Whenever the debt limit of a taxing agency is based wholly or in part on the assessed value of the agency, there shall be added to such assessed value the assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and distributed pursuant to Section 38906 of the Revenue and Taxation Code.

The assessed valuation equivalents for revenue amounts certified pursuant to Section 27423 of the Government Code and distributed pursuant to Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the secured tax rate for the prior year.

SEC. 12. Section 2266.2 is added to the Revenue and Taxation Code, to read:

2266.2. As used in Section 2266, "property tax revenue" includes revenue distributed in the prior fiscal year to local government by the state pursuant to the Timber Yield Tax Law (Part 18.5 (commencing with Section 38101), Division 2).

SEC. 12.2. Section 17299.1 of the Revenue and Taxation Code, as amended by Chapter 224 of the Statutes of 1975, is amended to read:

17299.1. In computing taxable income no deduction shall be allowed for (a) abandonment fees paid under Section 51061 or 51093 of the Government Code or (b) tax recoupment fees paid under Section 51140 of the Revenue and Taxation Code.

SEC. 12.4. Section 18052.2 of the Revenue and Taxation Code is amended to read:

18052.2. Notwithstanding the provisions of Section 18052, no adjustment shall be made for (a) abandonment fees paid in respect of property on which the open-space easement is terminated under Section 51061 or 51093 of the Government Code or (b) tax recoupment fees paid under Section 51140 of the Revenue and Taxation Code.

SEC. 12.6. Section 24441 of the Revenue and Taxation Code, as amended by Chapter 224 of the Statutes of 1975, is amended to read:

24441. In computing net income no deduction shall be allowed for (a) abandonment fees paid in respect of property on which the open-space easement is terminated under Section 51061 or 51093 of the Government Code or (b) tax recoupment fees paid under Section 51140 of the Government Code.

SEC. 12.8. Section 24916.2 of the Revenue and Taxation Code, as amended by Chapter 224 of the Statutes of 1975, is amended to read:

24916.2. Notwithstanding the provisions of Section 24916 no adjustment shall be made for (a) abandonment fees paid in respect of property on which the open-space easement is terminated under Section 51061 or 51093 of the Government Code or (b) tax recoupment fees paid under Section 51140 of the Revenue and Taxation Code.

SEC. 13. Part 18.5 (commencing with Section 38101) is added to Division 2 of the Revenue and Taxation Code, to read:

PART 18.5. TIMBER YIELD TAX

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

38101. This part is known and may be cited as the "Timber Yield Tax Law."

38102. Except where the context otherwise requires, the definitions in this chapter govern the construction of this part.

38103. "Timber" means trees of any species maintained for eventual harvest for forest products purposes, whether planted or of natural growth, standing or down, including Christmas trees, on privately or publicly owned land, but does not mean nursery stock.

38103.1. "Timberland" means privately or publicly owned land which is devoted to and used for growing and harvesting timber, or for growing and harvesting timber and compatible uses, and which

is capable of growing an average annual volume of wood fiber of at least 15 cubic feet per acre.

38104. "Timber owner" means any person who owns timber immediately prior to felling or the first person who acquires either the legal title or beneficial title to timber after it has been felled from land owned by a federal agency or any other person or agency or entity exempt from state taxation under the Constitution or laws of the United States or under the Constitution or laws of the State of California. "Timber owner" includes any person who owns or acquires legal title or beneficial title to downed timber in this state.

38105. "Rate adjustment county" means the following counties: Alpine, Del Norte, El Dorado, Glenn, Humboldt, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, and Yuba.

38106. "Person" includes any individual, firm, copartnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, trustee, syndicate, this state, any county, city and county, municipality, district, or other political subdivision of the state, or any other group or combination acting as a unit.

38107. "Tax rate area" means a geographical area in which there is a unique combination of levies.

38108. "Scaling date" means the date when the quantity of timber harvested, by species, is first definitely determined.

Except for national forest timber, the scaling date shall be no later than the date of delivery of the felled trees to the storage or wood-processing area, whichever is first or an alternative approved by the board. For national forest timber, the definitely determined timber volume included in Forest Service, USDA, billing statements to timber sale contract holders shall be the basis for tax payment.

38109. "Immediate harvest value" means the amount that each species or subclassification of timber would sell for on the stump at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. Such immediate harvest values shall be expressed in terms of amount to the nearest dollar per thousand board feet, net Scribner Decimal C log rule, or other unit of measure chosen by the board, and shall be determined in a manner which makes reasonable and adequate allowances for age, size, quality, costs of removal, accessibility to point of conversion, market conditions and all other relevant factors as determined by the board.

For the purposes of this section, the immediate harvest value of Christmas trees shall be the sale price of the Christmas trees in quantities of 100 trees or more in the market area nearest to the place where the trees are cut.

Prior to December 31, 1976, and periodically thereafter as determined by the board, the board in consultation with the Timber Advisory Committee and with the California Division of Forestry and after public hearings, shall adopt rules and regulations establishing a standard unit of measure and establishing conversion

factors which convert prevalent units of measure in use in California to Scribner Decimal C log rule or other unit of measure chosen as a standard.

38110. "Yield tax" means the dollar amount derived by multiplying the net volume of harvested timber by the appropriate immediate harvest value per unit and by the yield tax rate.

CHAPTER 2. IMPOSITION OF THE TAX

38115. A timber yield tax is hereby imposed on every timber owner who harvests his timber or causes it to be harvested on or after April 1, 1977, and on every timber owner of felled or downed timber who acquires title to such felled or downed timber in this state from an exempt person or agency described in Section 38104 after that date, at the rate of 6 percent of the total immediate harvest value of that timber or at such other rate as may be fixed pursuant to Chapter 3 (commencing with Section 38202) of this part. The immediate harvest value shall be determined as of the scaling date.

CHAPTER 3. DETERMINATION OF RATES

38202. On or before December 31, 1978, and December 31 of each subsequent year, after public hearings, the board shall adjust the yield tax rate to the nearest one-tenth of 1 percent in the same proportion that the average rate of general property taxation in the rate adjustment counties in the current tax year differs from the average rate of general property taxation in the rate adjustment counties in the preceding tax year. The board shall compute the average rate of general property taxation in the rate adjustment counties by (a) adding the county, city, school district, and other general taxes, but not the special taxes on intangibles, aircraft, baled cotton or any other property, except real property, which is subject to a uniform statewide tax rate, nor special assessments, and (b) dividing the amount obtained by the total assessed valuation in the rate adjustment counties, exclusive of the homeowners' and business inventory exemptions, as shown by the county tax rolls for the same year.

"Total assessed valuation," as used in this section, does not include the assessments of property which is subject to a uniform statewide tax rate.

"Special assessment" as used in this section, means any amount levied solely against land or land and improvements.

38203. On or before December 31, 1978, and on or before December 31 of each year thereafter, the board shall certify to the Director of Finance and to the Legislature the rate determined pursuant to Section 38202, and such rate shall be the yield tax rate applied under Section 38115 for the 12-month period beginning on the next succeeding January 1.

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38204. (a) On or before December 31, 1976, the board after consultation with the Timber Advisory Committee and after public hearings held pursuant to the Administrative Procedure Act, shall designate areas containing timber having similar growing, harvesting, and marketing conditions to be used as timber value areas for the preparation and application of immediate harvest values. The board may designate areas for timber standing on lands owned by local agencies and on timberland as defined in Section 51100 of the Government Code and designate separate areas for timber standing on national forest lands owned by the United States government. On or before March 1, 1977, for timber harvested between April 1 and December 31, 1977 and on June 30 and December 31 of each year thereafter for timber harvested during the succeeding two calendar quarters, the board, after consultation with the Timber Advisory Committee, shall estimate the immediate harvest values of each species or subclassification of timber within such areas as of the initial date of the period. Such values shall be determined under rules adopted pursuant to the Administrative Procedure Act from the best evidence available, including (1) gross proceeds from sales on the stump of similar timber of like quality and character at similar locations, or (2) gross proceeds from sales of logs, or of finished products, adjusted to reflect only the portion of such proceeds attributable to value on the stump immediately prior to harvest, or a combination of (1) and (2), and shall be determined in a manner which makes reasonable allowance for differences in age, size, quality, cost of removal, accessibility to point of conversion, market conditions and other relevant factors.

(b) The board, either on its own motion or in response to application from a timber owner, may modify the immediate harvest values to reflect material changes in timber values that result from fire, blowdown, ice storm, flood, disease, insect damage or other cause, for any area in which damaged timber is located. The board shall specify any additional accounting or other requirements to be complied with in reporting and paying the tax on such timber.

38205. The Legislative Analyst shall prepare a report prior to March 1, 1980, which reviews the yield tax rate and revenue distribution mechanisms, and land valuation procedures, for submission to the Legislature and to the Revenue and Taxation Committees in each house. After 1980, an updated report shall be submitted every four years on or before March 1.

The Legislative Analyst shall recommend necessary modifications in the yield tax rate and revenue distribution mechanisms timberland valuation system,, so that timber bears an equitable and proportionate tax share in conformance with the provisions of this chapter, and so that local agencies may be assured of a continual and stable flow of their equitable share of yield tax proceeds. The Legislative Analyst may request from the various counties and agencies of the state whatever information is necessary to facilitate

completion of these reports.

CHAPTER 4. TIMBER RESERVE FUND TAX

38301. A timber reserve fund tax is hereby imposed on every timber owner who harvests his timber or causes it to be harvested on and after April 1, 1977, to and including December 31, 1982, and every timber owner of felled or downed timber who acquires title during that period to such felled or downed timber in this state from an exempt person or agency described in Section 38104, at the rate of 0.5 percent of the total immediate harvest value of that timber, or at such other rate as may be fixed pursuant to Section 38303. This tax is in addition to the tax imposed by Section 38115. The immediate harvest value shall be determined as of the scaling date.

38302. It is not the intent of this part to impose the yield tax or the timber reserve fund tax on two parties for the same timber.

38303. On or before December 31, 1977, and each December thereafter to and including December 31, 1981, the board, after public hearings, shall establish a timber reserve fund tax rate for the 12-month period beginning on the next following January 1. In establishing this rate the board shall estimate the amount of timber which will be harvested during the year for which the rate is to be established and the immediate harvest value of that timber and shall establish a rate which it estimates will produce an amount equal to the amount certified by the Controller pursuant to Section 38907. The board shall certify the rate established under this section to the Director of Finance and the Legislature.

CHAPTER 4.5. REGISTRATION

38351. Every person who owns timber subject to a timber harvest plan, every person who is required to file a notice of timber operations with the State Forester, and every person who is the first person who acquires either legal title or beneficial title to downed timber or timber after it has been felled from land owned by a federal agency or any other person or agency entity exempt from state taxation under the Constitution or laws of the United States or under the Constitution or laws of the State of California shall register with the board giving the name and address of his place of business and the location of the areas where he intends to fell timber or acquire legal title or beneficial title to felled or downed timber.

CHAPTER 5. DETERMINATIONS

Article 1. Returns and Payments

38401. The taxes imposed by this part are due and payable to the board quarterly on or before the last day of the month next

succeeding each quarterly period in which the scaling date for the timber harvested occurs.

38402. On or before the last day of the month following each calendar quarter, a return for the preceding quarterly period shall be filed with the board in such form as the board may prescribe. The return shall include the following information with respect to timber harvested by the timber owner in the preceding calendar quarter: the volume harvested and the number of Christmas trees cut according to each tax rate area, as assigned by the assessor pursuant to Section 4582.8 of the Public Resources Code; the quarter the timber was harvested and the quarter the Christmas trees were cut; the date or dates the timber was scaled; the species; and any other information deemed necessary by the board for the administration of this part. In case the timber is harvested or the Christmas trees are cut from a tax rate area the boundaries of which have been changed, the timber owner shall apportion the volume according to the number of acres in each tax rate area affected by the change according to the number of acres in each from which the timber was harvested. At his request, the board shall provide copies of these returns to the assessor of the county from which the timber was harvested.

38403. The person required to file the return shall deliver the return together with a remittance of the amount of the tax due to the office of the board.

38404. The board if it deems it necessary in order to insure payment to or facilitate the collection by the state of the amount of taxes, may require returns and payment of the amount of taxes for quarterly periods other than calendar quarters, or for other than quarterly periods.

38405. The board for good cause may extend for not to exceed one month the time for making any return or paying any amount required to be paid under this part. The extension may be granted at any time provided a request therefor is filed with the board within or prior to the period for which the extension may be granted.

Any person to whom an extension is granted shall pay, in addition to the tax, interest at the rate of 1 percent per month, or fraction thereof, from the date on which the tax would have been due without the extension until the date of payment.

Article 2. Deficiency Determinations

38411. If the board is not satisfied with the return or returns of the tax or the amount of tax required to be paid to the state by any person, it may compute and determine the amount required to be paid upon the basis of the facts contained in the return or returns or upon the basis of any information within its possession or that may come into its possession. One or more deficiency determinations may be made of the amount due for one or for more than one period.

38412. The amount of the determination, exclusive of penalties, shall bear interest at the rate of 1 percent per month, or fraction thereof, from the last day of the month following the quarterly period for which the amount or any portion thereof should have been returned until the date of payment.

38413. In making a determination the board may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments. The interest on underpayments and overpayments shall be computed in the manner set forth in Sections 38451 and 38606.

38414. If any part of the deficiency for which a deficiency determination is made is due to negligence or intentional disregard of this part or authorized rules and regulations, a penalty of 10 percent of the amount of the determination shall be added thereto.

38415. If any part of the deficiency for which a deficiency determination is made is due to fraud or an intent to evade this part or authorized rules and regulations, a penalty of 25 percent of the amount of the determination shall be added thereto.

38416. The board shall give to the person written notice of its determination. The notice may be served personally or by mail; if by mail, service shall be made pursuant to Section 1013 of the Code of Civil Procedure and shall be addressed to the person at his address as it appears in the records of the board, but the service shall be deemed complete at the time of the deposit of the notice in the mail without extension of time for any reason.

38417. Except in the case of fraud, intent to evade this part or authorized rules and regulations, or failure to make a return, every notice of a deficiency determination shall be mailed within three years after the last day of the calendar month following the quarterly period for which the amount is proposed to be determined or within three years after the return is filed, whichever period expires the later. In the case of failure to make a return, every notice of determination shall be mailed within eight years after the last day of the calendar month following the quarterly period for which the amount is proposed to be determined.

38418. In the case of a deficiency arising under this part during the lifetime of a decedent, a notice of deficiency determination shall be mailed within four months after written request therefor, in the form required by the board, by the fiduciary of the estate or trust or by any other person liable for the tax or any portion thereof.

38419. If before the expiration of the time prescribed in Section 38417 for the mailing of a notice of deficiency determination the taxpayer has consented in writing to the mailing of the notice after such time, the notice may be mailed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

Article 3. Determinations if No Return Made

38421. If any person fails to make a return, the board shall make an estimate of the amount of the total timber harvested by the person and the immediate harvest value of that timber. The estimate shall be made for the period or periods in respect to which the person failed to make a return and shall be based upon any information which is in the board's possession or may come in its possession. Upon the basis of this estimate the board shall compute and determine the amount required to be paid to the state, adding to the sum thus arrived at a penalty equal to 10 percent thereof. One or more determinations may be made for one or for more than one period. When a person discontinues activities subject to the tax, a determination may be made at any time thereafter, within the periods specified in Section 38417, as to liability arising out of the person's activities subject to the tax, irrespective of whether the determination is issued prior to the due date of the liability as otherwise specified in this part.

38422. In making a determination the board may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments. The interest on underpayments and overpayments shall be computed in the manner set forth in Sections 38451 and 38606.

38423. The amount of the determination, exclusive of penalties, shall bear interest at the rate of 1 percent per month, or fraction thereof, from the last day of the month following the quarterly period for which the amount or any portion thereof should have been returned until the date of payment.

38424. If the failure of any person to file a return is due to fraud or an intent to evade this part or rules and regulations, a penalty of 25 percent of the amount required to be paid by the person, exclusive of penalties, shall be added thereto in addition to the 10 percent penalty provided in Section 38421.

38425. Promptly after making its determination the board shall give to the person written notice of the estimate, determination, and penalty, the notice to be served personally or by mail in the manner prescribed for service of notice of a deficiency determination.

Article 4. Jeopardy Determinations

38431. If the board believes that the collection of any tax or any amount of tax required to be collected and paid to the state or of any determination will be jeopardized by delay, it shall thereupon make a determination of the tax or amount of tax required to be collected, noting that fact upon the determination. The amount determined is immediately due and payable.

38432. If the amount specified in the determination is not paid

within 10 days after service of notice thereof upon the person against whom the determination is made, the amount becomes final at the expiration of the 10 days, unless a petition for redetermination is filed within the 10 days, and the delinquency penalty and the interest provided in Section 38451 shall attach to the amount of the tax or the amount of the tax required to be collected.

38433. The person against whom a jeopardy determination is made may petition for the redetermination thereof pursuant to Article 5 of this chapter. He shall, however, file the petition for redetermination with the board within 10 days after the service upon him of notice of the determination. The person shall also within the 10-day period deposit with the board such security as it may deem necessary to insure compliance with this part. The security may be sold by the board in the manner prescribed by Section 38501.

38434. Any notice required by this article shall be served personally or by mail in the manner prescribed for service of notice of a deficiency determination.

Article 5. Redeterminations

38441. Any person against whom a determination is made under Articles 2 or 3 of this chapter or any person directly interested may petition for a redetermination within 30 days after service upon the person of notice thereof. If a petition for redetermination is not filed within the 30-day period, the determination becomes final at the expiration of the period.

38442. Every petition for redetermination shall be in writing and shall state the specific grounds upon which the petition is founded. The petition may be amended to state additional grounds at any time prior to the date on which the board issues its order or decision upon the petition for redetermination.

38443. If a petition for redetermination is filed within the 30-day period, the board shall reconsider the determination and, if the person has so requested in his petition, shall grant the person an oral hearing and shall give him 10 days' notice of the time and place of the hearing. The board may continue the hearing from time to time as may be necessary.

38444. The board may decrease or increase the amount of the determination before it becomes final, but the amount may be increased only if a claim for the increase is asserted by the board at or before the hearing. Unless the penalty imposed by Section 38415 or Section 38424 applies to the amount of the determination as originally made or as increased, the claim for increase must be asserted within eight years after the last day of the calendar month following the quarterly period for which the increase is asserted.

38445. The order or decision of the board upon a petition for redetermination becomes final 30 days after service upon the petitioner of notice thereof.

38446. All determinations made by the board under Articles 2 or 3 of this chapter are due and payable at the time they become final. If they are not paid when due and payable, a penalty of 10 percent of the amount of the determination, exclusive of interest and penalties, shall be added thereto.

38447. Any notice required by this article shall be served personally or by mail in the manner prescribed for service of notice of a deficiency determination.

Article 6. Interest and Penalties

38451. Any person who fails to pay any tax to the state or any amount of tax required to be collected and paid to the state, except amounts of determinations made by the board under Articles 2 or 3 of this chapter, within the time required shall pay a penalty of 10 percent of the tax or amount of the tax, in addition to the tax or amount of tax, plus interest at the rate of 1 percent per month, or fraction thereof, from the date on which the tax or the amount of tax required to be collected became due and payable to the state until the date of payment.

38452. If the board finds that a person's failure to make a timely return or payment is due to reasonable cause and circumstances beyond the person's control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the penalty provided by Sections 38421 and 38451.

Any person seeking to be relieved of the penalty shall file with the board a statement under penalty of perjury setting forth the facts upon which he bases his claim for relief.

CHAPTER 6. COLLECTION OF TAXES

Article 1. Security for Tax

38501. The board, whenever it deems it necessary to insure compliance with this part, may require any person subject thereto, to place with it such security as the board may determine. The amount of the security shall be fixed by the board but, except as noted below, shall not be greater than twice the estimated average liability of persons filing returns for quarterly periods or three times the estimated average liability of persons required to file returns for monthly periods, determined in such manner as the board deems proper, or ten thousand dollars ($10,000), whichever amount is the lesser. The limitations herein provided apply regardless of the type of security placed with the board. The amount of the security may be increased or decreased by the board subject to the limitations herein provided. The board may sell the security at public auction if it becomes necessary so to do in order to recover any tax or any

amount required to be collected, interest, or penalty due. Notice of the sale may be served upon the person who placed the security personally or by mail; if by mail, service shall be made in the manner prescribed for service of a notice of a deficiency determination and shall be addressed to the person at his address as it appears in the records of the board. Security in the form of a bearer bond issued by the United States or the State of California which has a prevailing market price may, however, be sold by the board at private sale at a price not lower than the prevailing market price thereof. Upon any sale any surplus above the amounts due shall be returned to the person who placed the security.

38502. If any person is delinquent in the payment of the amount required to be paid by him or in the event a determination has been made against him which remains unpaid, the board may, not later than three years after the payment became delinquent, or within 10 years after the last recording of an abstract under Section 38523 or of a certificate under Section 38532, give notice thereof personally or by registered mail to all persons, including any officer or department of the state or any political subdivision or agency of the state, having in their possession or under their control any credits or other personal property belonging to the delinquent, or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or such person. In the case of any state officer, department or agency, the notice shall be given to such officer, department or agency prior to the time it presents the claim of the delinquent taxpayer to the State Controller. After receiving the notice the persons so notified shall neither transfer nor make any other disposition of the credits, other personal property, or debts in their possession or under their control at the time they receive the notice until the board consents to a transfer or disposition or until 60 days elapse after the receipt of the notice, whichever period expires the earlier. All persons so notified shall forthwith after receipt of the notice advise the board of all such credits, other personal property, or debts in their possession, under their control, or owing by them. If such notice seeks to prevent the transfer or other disposition of a deposit in a bank or other credits or personal property in the possession or under the control of a bank, the notice to be effective shall state the amount, interest and penalty due from the person and shall be delivered or mailed to the branch or office of such bank at which such deposit is carried or at which such credits or personal property is held. Notwithstanding any other provision, with respect to a deposit in a bank or other credits or personal property in the possession or under the control of a bank, the notice shall only be effective with respect to an amount not in excess of two times the amount, interest and penalty due from the person. If, during the effective period of the notice to withhold, any person so notified makes any transfer or disposition of the property or debts required to be withheld hereunder, to the extent of the value of the property

or the amount of the debts thus transferred or paid he shall be liable to the state for any indebtedness due under this part from the person with respect to whose obligation the notice was given if solely by reason of such transfer or disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

Article 2. Suit for Tax

38511. At any time within three years after any tax or any amount of tax required to be collected becomes due and payable and at any time within three years after the delinquency of any tax or any amount of tax required to be collected, or within the period during which a lien is in force as the result of the recording of an abstract under Section 38523 or of a certificate under Section 38532 or 38533, the board may bring an action in the courts of this state, of any other state, or of the United States in the name of the people of the State of California to collect the amount delinquent together with penalties and interest.

38512. The Attorney General shall prosecute the action, and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials, and appeals are applicable to the proceedings.

38513. In the action a writ of attachment may issue, and no bond or affidavit previous to the issuing of the attachment is required.

38514. In the action a certificate by the board showing the delinquency shall be prima facie evidence of the determination of the tax or the amount of tax, of the delinquency of the amounts set forth, and of the compliance by the board with all the provisions of this part in relation to the computation and determination of the amounts.

38515. In any action brought under this part process may be served according to the Code of Civil Procedure and the Civil Code of this state or may be served upon any agent or clerk in this state employed by any timber owner place of business maintained by the timber owner in this state. In the latter case a copy of the process shall forthwith be sent by registered mail to the timber owner at his principal or home office.

Article 3. Judgment for Tax

38521. If any amount required to be paid to the state under this part is not paid when due, the board may within three years after the amount is due file in the office of the County Clerk of Sacramento County, or any county, a certificate specifying the amount required to be paid, interest and penalty due, the name and address as it appears on the records of the board of the person liable, the compliance of the board with this part in relation to the

determination of the amount required to be paid, and a request that judgment be entered against the person in the amount required to be paid, together with interest and penalty as set forth in the certificate.

38522. The county clerk immediately upon the filing of the certificate shall enter a judgment for the people of the State of California against the person in the amount required to be paid, together with interest and penalty as set forth in this certificate. The county clerk may file the judgment in a looseleaf book entitled, "Special Judgments for State Timber Yield Tax."

38523. An abstract of the judgment or a copy may be filed for record with the county recorder of any county. From the time of the filing the amount required to be paid together with interest and penalty set forth constitutes a lien upon all the real property in the county owned by the person liable or afterward and before the lien expires acquired by him. The lien has the force, effect, and priority of a judgment lien and shall continue for 10 years from the date of the judgment so entered by the county clerk unless sooner released or otherwise discharged. The lien may within 10 years from the date of the judgment or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by filing for record in the office of the county recorder of any county an abstract or copy of the judgment and from the time of such filing the lien shall be extended to the real property in such county for 10 years unless sooner released or otherwise discharged.

38524. Execution shall issue upon the judgment upon request of the board in the same manner as execution may issue upon other judgments, and sales shall be held under such execution as prescribed in the Code of Civil Procedure.

Article 4. Priority and Lien of Tax

38531. The amounts required to be paid by any person under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the person is insolvent.

(b) Whenever the person makes a voluntary assignment of his assets.

(c) Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed, or absent person required to pay any amount under this part are levied upon by process of law.

This section does not give the state a preference over any recorded lien which attached prior to the date when the amounts required to be paid became a lien.

The preference given to the state by this section shall be

subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

38532. If any amount required to be paid to the state under this part is not paid when due, the board may within three years after the amount is due file for record in the office of any county recorder a certificate specifying the amount, interest, and penalty due, the name and address as it appears on the records of the board of the person liable for the same, and the fact that the board has complied with all provisions of this part in the determination of the amount required to be paid. From the time of the filing for record, the amount required to be paid together with interest and penalty constitutes a lien upon all real property in the county owned by the person or afterward and before the lien expires acquired by him. The lien has the force, effect, and priority of a judgment lien and shall continue for 10 years from the time of the filing of the certificate unless sooner released or otherwise discharged. The lien may, within 10 years from the date of the filing of the certificate or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by filing for record a new certificate in the office of the county recorder of any county and from the time of such filing the lien shall be extended to the real property in such county for 10 years unless sooner released or otherwise discharged.

38533. Within the time allowed in Section 38532 the board may also file a certificate of state tax lien with the Secretary of State pursuant to Chapter 14.5 (commencing with Section 7220) of Division 7 of Title 1 of the Government Code. From the time of the filing of the certificate with the Secretary of State, the amount required to be paid, together with interest and penalty, constitutes a lien upon all personal property in the state owned by the person or afterwards acquired by him until the certificate of state tax lien lapses. A lien imposed by this section shall not be valid as against a purchaser for value without actual knowledge of the lien.

38534. The board may at any time release all or any portion of the property subject to any lien provided for in this part from the lien or subordinate the lien to other liens and encumbrances if it determines that the amount, interest, and penalties are sufficiently secured by a lien on other property or that the release or subordination of the lien will not jeopardize the collection of the amount, interest, and penalties.

38535. The board may release any lien imposed under Section 38532 or 38533 if it finds that the liability represented by the lien, including any interest accrued thereon, is legally unenforceable.

38536. A certificate by the board to the effect that any property has been released from the lien or that the lien has been subordinated to other liens and encumbrances shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

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Article 5. Warrant for Collection of Tax

38541. At any time within three years after any person is delinquent in the payment of any amount herein required to be paid, or within 10 years after the last recording of an abstract under Section 38523 or of a certificate under Section 38532, the board or its authorized representative may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the state under this part. The warrant shall be directed to any sheriff, marshal or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

38542. The board may pay or advance to the sheriff, marshal or constable, the same fees, commissions, and expenses for his services as are provided by law for similar services pursuant to a writ of execution. The board, and not the court, shall approve the fees for publication in a newspaper.

38543. The fees, commissions, and expenses are the obligation of the person required to pay any amount under this part and may be collected from him by virtue of the warrant or in any other manner provided in this part for the collection of the tax.

Article 6. Seizure and Sale

38551. At any time within three years after any person is delinquent in the payment of any amount, the board may forthwith collect the amount in the following manner: The board shall seize any property, real or personal, of the person and sell the property, or a sufficient part of it, at public auction to pay the amount due together with any interest or penalties imposed for the delinquency and any costs incurred on account of the seizure and sale.

38552. Notice of the sale and the time and place thereof shall be given to the delinquent person in writing at least 10 days before the date set for the sale in the following manner: The notice shall be enclosed in an envelope addressed to the person at his last known address or place of business in this state. It shall be deposited in the United States mail, postage prepaid. The notice shall also be published for at least 10 days before the date set for the sale in a newspaper of general circulation published in the county in which the property seized is to be sold. If there is no newspaper of general circulation in the county, notice shall be posted in three public places in the county 10 days prior to the date set for the sale. The notice shall contain a description of the property to be sold, a statement of the amount due, including interest, penalties, and costs, the name of the delinquent, and the further statement that unless the amount due, interest, penalties, and costs are paid on or before the time fixed in the notice for the sale, the property, or so much of it as may be

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necessary, will be sold in accordance with law and the notice.

38553. At the sale the board shall sell the property in accordance with law and the notice and shall deliver to the purchaser a bill of sale for the personal property and a deed for any real property sold. The bill of sale or deed vests the interest or title of the person liable for the amount in the purchaser. The unsold portion of any property seized may be left at the place of sale at the risk of the person liable for the amount.

38554. If upon the sale the moneys received exceed the total of all amounts, including interest, penalties, and costs due the state, the board shall return the excess to the person liable for the amounts and obtain his receipt. If any person having an interest in or lien upon the property files with the board prior to the sale notice of his interest or lien, the board shall withhold any excess pending a determination of the rights of the respective parties thereto by a court of competent jurisdiction. If for any reason the receipt of the person liable for the amount is not available, the board shall deposit the excess moneys with the State Treasurer, as trustee for the owner, subject to the order of the person liable for the amount, his heirs, successors, or assigns.

Article 7. Miscellaneous Provisions

38561. The board shall report to the Controller the amount of collections under this part, and he shall keep a record thereof.

38562. The remedies of the state provided for in this chapter are cumulative, and no action taken by the board or Attorney General constitutes an election by the state to pursue any remedy to the exclusion of any other remedy for which provision is made in this part.

38563. In all proceedings under this chapter the board may act on behalf of the people of the State of California.

CHAPTER 7. OVERPAYMENTS AND REFUNDS

Article 1. Claim for Refund

38601. If the board determines that any amount, penalty, or interest has been paid more than once or has been erroneously or illegally collected or computed, the board shall set forth that fact in the records of the board and shall certify to the State Board of Control the amount collected in excess of the amount legally due and the person from whom it was collected or by whom paid. If approved by the State Board of Control the excess amount collected or paid shall be credited by the board on any amounts then due and payable from the person from whom the excess amount was collected or by whom it was paid under this part, and the balance shall be refunded to the person, or his successors, administrators, or executors.

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In the case, however, of a determination by the board that an amount not exceeding one thousand dollars ($1,000) was not required to be paid under this part, the board without obtaining approval of the State Board of Control may credit the amount on any amounts then due and payable under this part from the person by whom the amount was paid and may refund the balance to the person or his successors, administrators, or executors.

38602. (a) Except as provided in subdivision (b) no refund shall be approved by the board after three years from the last day of the month following the close of the quarterly period for which the overpayment was made, or, with respect to determinations made under Article 2, 3 or 4 of Chapter 5 of this part, after six months from the date the determinations become final, or after six months from the date of overpayment, whichever period expires the later, unless a claim therefor is filed with the board within such period. No credit shall be approved by the board after the expiration of such period unless a claim for credit is filed with the board within such period, or unless the credit relates to a period for which a waiver is given pursuant to Section 38419.

(b) A refund may be approved by the board for any period for which a waiver is given under Section 38419 if a claim therefor is filed with the board before the expiration of the period agreed upon.

38603. Every claim shall be in writing and shall state the specific grounds upon which the claim is founded.

38604. Failure to file a claim within the time prescribed in this article constitutes a waiver of any demand against the state on account of overpayment.

38605. Within 30 days after disallowing any claim in whole or in part the board shall serve notice of its action on the claimant in the manner prescribed for service of notice of a deficiency determination.

38606. Interest shall be paid upon any overpayment of any amount of tax at the rate of 1 percent per month from the last day of the calendar month following the quarterly period for which the overpayment was made; but no refund or credit shall be made of any interest imposed upon the person making the overpayment with respect to the amount being refunded or credited.

The interest shall be paid:

(a) In the case of a refund, to the last day of the calendar month following the date upon which the person making the overpayment, if he has not already filed a claim, is notified by the board that a claim may be filed or the date upon which the claim is approved by the board, whichever date is the earlier.

(b) In the case of a credit, to the same date as that to which interest is computed on the tax or amount against which the credit is applied.

38607. (a) If the board determines that any overpayment has been made intentionally or by reason of carelessness, it shall not

allow any interest thereon.

(b) If any person who has filed a claim for refund requests the board to defer action on the claim, the board, as a condition to deferring action, may require the claimant to waive interest for the period during which the person requests the board to defer action on the claim.

Article 2. Suit for Refund

38611. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against this state or against any officer of the state to prevent or enjoin the collection under this part of any tax or any amount of tax required to be collected.

38612. No suit or proceeding shall be maintained in any court for the recovery of any amount alleged to have been erroneously or illegally determined or collected unless a claim for refund or credit has been duly filed pursuant to Article 1 of this chapter.

38613. Within 90 days after the mailing of the notice of the board's action upon a claim filed pursuant to Article 1 of this chapter, the claimant may bring an action against the board on the grounds set forth in the claim in a court of competent jurisdiction in any city or city and county of this state in which the Attorney General has an office for the recovery of the whole or any part of the amount with respect to which the claim has been disallowed.

Failure to bring action within the time specified constitutes a waiver of any demand against the state on account of alleged overpayments.

38614. If the board fails to mail notice of action on a claim within six months after the claim is filed, the claimant may, prior to the mailing of notice by the board of its action on the claim, consider the claim disallowed and bring an action against the board on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment.

38615. If judgment is rendered for the plaintiff, the amount of the judgment shall first be credited on any timber yield tax or timber reserve fund tax due and payable from the plaintiff. The balance of the judgment shall be refunded to the plaintiff.

38616. In any judgment, interest shall be allowed at the rate of 12 percent per annum upon the amount found to have been illegally collected from the date of payment of the amount to the date of allowance of credit on account of the judgment or to a date preceding the date of the refund warrant by not more than 30 days, the date to be determined by the board.

38617. A judgment shall not be rendered in favor of the plaintiff in any action brought against the board to recover any amount paid when the action is brought by or in the name of an assignee of the person paying the amount or by any person other than the person

who paid the amount.

Article 3. Recovery of Erroneous Refunds

38621. The Controller may recover any refund or part thereof which is erroneously made and any credit or part thereof which is erroneously allowed in an action brought in a court of competent jurisdiction in the County of Sacramento in the name of the people of the State of California.

38622. The action shall be tried in the County of Sacramento unless the court with the consent of the Attorney General orders a change of place of trial.

38623. The Attorney General shall prosecute the action, and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials, and appeals are applicable to the proceedings.

Article 4. Cancellations

38631. If any amount in excess of one thousand dollars ($1,000) has been illegally determined either by the person filing the return or by the board, the board shall set forth that fact in its records and certify to the State Board of Control the amount determined to be in excess of the amount legally due and the person against whom the determination was made. If the State Board of Control approves, it shall authorize the cancellation of the amount upon the records of the board. If an amount not exceeding one thousand dollars ($1,000) has been illegally determined either by the person filing a return or by the board, the board without certifying this fact to the State Board of Control shall authorize the cancellation of the amount upon the records of the board.

CHAPTER 8. ADMINISTRATION

38701. The board shall enforce the provisions of this part and may prescribe, adopt, and enforce rules and regulations relating to the application, administration and enforcement of this part. The board may prescribe the extent to which any ruling or regulation shall be applied without retroactive effect.

38702. The board may employ accountants, auditors, appraisers, investigators, assistants, and clerks necessary for the efficient administration of this part and may designate representatives to conduct hearings, prescribe regulations, or perform any other duties imposed by this part or other laws of this state upon the board.

38703. Every timber owner shall keep such records, receipts, invoices, and other pertinent papers in such form as the board may require by rules or regulations.

38704. The board or any person authorized in writing by it may

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examine the books, papers, records, and timber of any timber owner or timber operator as defined in Section 4526.5 of the Public Resources Code and may investigate the character of the business of the person in order to verify the accuracy of any return made, or, if no return is made by the person, to ascertain and determine the amount required to be paid.

38705. Except as provided in Section 38402, it is unlawful for the board or any person having an administrative duty under this part to make known in any manner whatever the business affairs, operations, or any other information pertaining to any timber owner or any other person required to report to the board or pay a tax pursuant to this part, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person. However, the Governor may, by general or special order, authorize examination by other state officers, by tax officers of another state, by the federal government, if a reciprocal arrangement exists, or by any other person of the records maintained by the board under this part. The information so obtained pursuant to the order of the Governor shall not be made public except to the extent and in the manner that the order may authorize that it be made public.

CHAPTER 9. VIOLATIONS AND RES JUDICATA

38801. Any timber owner or other person who fails or refuses to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the board, is guilty of a misdemeanor and subject to a fine of not exceeding five hundred dollars ($500) for each offense, or be imprisoned for not exceeding one year in the county jail, or be subject to both the fine and imprisonment in the discretion of the court.

38802. Any person required to make, render, sign, or verify any report who makes any false or fraudulent return, with intent to defeat or evade the determination of an amount due required by law to be made is guilty of a misdemeanor. He shall for each offense be fined not less than three hundred dollars ($300) and not more than five thousand dollars ($5,000), or be imprisoned for not exceeding one year in the county jail, or be subject to both the fine and imprisonment in the discretion of the court.

38803. Any violation of this part, except as otherwise provided, is a misdemeanor.

38804. Any prosecution for violation of any of the penal provisions of this part shall be instituted within three years after the commission of the offense.

38805. In the determination of any case arising under this part the rule of res judicata is applicable only if the liability involved is for

the same quarterly period as was involved in another case previously determined.

CHAPTER 10. DISPOSITION OF PROCEEDS

38901. All taxes, interest and penalties imposed and all amounts of tax required to be paid under this part shall be made in remittances to the State Board of Equalization and shall be deposited in the State Treasury as provided in this chapter.

38902. All taxes paid or collected pursuant to Section 38301 shall be deposited in the Timber Tax Reserve Fund, which is hereby created. The money in the fund is hereby appropriated to pay refunds authorized by this part of taxes paid or collected pursuant to Section 38301 and to the Controller to allocate as provided in this chapter.

38903. All taxes, interest, penalties and other amounts collected pursuant to this part, except the amounts paid or collected pursuant to Section 38301 shall be deposited in the Timber Tax Fund, which is hereby created.

38903.1. All interest accruing for amounts deposited in the Timber Tax Fund and the Timber Tax Reserve Fund shall be deposited in the Timber Tax Fund.

38904. The money in the Timber Tax Fund is appropriated as follows:

(a) To reimburse the General Fund for funds advanced for costs incurred by the board in administration of this part as follows:

(1) Five hundred twenty-nine thousand eight hundred fourteen dollars ($529,814) for fiscal years 1975–76 and 1976–77.

(2) Amounts identified and approved in subsequent fiscal years as approved in the normal budget process.

(b) To reimburse the General Fund for funds advanced for costs incurred by the State Forester in administration of Section 4582.8 of the Public Resources Code as follows:

(1) Thirteen thousand five hundred dollars ($13,500) for fiscal year 1975–76 and 1976–77.

(2) Amounts identified and approved if subsequent fiscal years as approved in the normal budget process.

(c) To the Controller to allocated pursuant to Section 38905.

38905. (a) The Controller shall transmit to the county treasurer 100 percent of the annual yield tax revenue guarantee certified pursuant to either subdivision (c) or (e) of Section 27423 of the Government Code for the 1977–78 fiscal year and each fiscal year thereafter, less the county's proportional share of the annual costs incurred under subdivisions (a) and (b) of Section 38904. Such proportional share shall be the ratio of each county's share, determined pursuant to subdivision (c) or (e) of Section 27423 of the Government Code, to the total of such shares in the state. These amounts shall be distributed on the following dates of the fiscal year

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for which they are made: 50 percent on November 30, and 50 percent on May 31. The county treasurer shall allocate moneys received under this subdivision among taxing agencies in the proportions accorded the respective agencies in the county's annual yield tax revenue guarantee as certified pursuant to either subdivision (c) or (e) of Section 27423 of the Government Code.

(b) The Controller shall transmit to the Timber Tax Reserve Fund the balance of any money in the Timber Tax Fund on June 1, 1978, and on June 1 of each year thereafter following allocation pursuant to subdivision (a); provided, that any money above the balance of eight million dollars ($8,000,000) in the Timber Tax Reserve Fund shall be distributed by the Controller as provided in subdivision (a) of Section 38906, and county treasurers shall then distribute receipts as provided in subdivision (b) of Section 38906.

(c) In the event that the balance in the Timber Tax Fund is insufficient to make an allocation provided for in this section, the Controller shall transfer sufficient money to the fund from the Timber Tax Reserve Fund to make the allocation. In the event that there are insufficient funds in the Timber Tax Reserve Fund required to make the allocations provided in this section, each county's share shall be reduced pro rata, but any such reduction shall be restored in subsequent allocations.

38906. (a) On June 1, 1978, and on June 1 of each year thereafter, the Controller shall transmit the balance of any money in the Timber Tax Reserve Fund in accordance with subdivision (b) of Section 38905 to the treasurer of each county in the proportion that the total taxes collected under this part in all previous quarters in that county bears to the total taxes collected in the state for the same period; provided that for all quarters beginning on or after October 1, 1982, such computation shall be made with respect to the previous 20 quarters. The transmittal to a county shall be accompanied by a tabulation showing the tax collections arising in each of the county's tax code areas, to govern distribution of moneys.

(b) Upon receipt of funds pursuant to subdivision (a), the county treasurer shall within 10 days distribute the funds among the agencies levying taxes or ad valorem special assessments in each tax code area, in the proportion that each taxing agency's harvest factor calculated pursuant to subdivision (c) bears to the sum of the harvest factors for all taxing agencies in the county.

(c) On or before June 1, 1978, and each June 1, thereafter, the county auditor shall compute, and shall provide such to the State Controller, a schedule setting forth for each taxing agency or portion thereof lying within such county:

(1) The average of the aggregate value of all timber harvested within such district in each of the immediately preceding four quarters for 1978, eight quarters for 1979, and 12 quarters for 1980, and thereafter, as determined from the yield tax returns filed with the board;

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(2) The aggregate dollar rate calculated pursuant to Section 2151 and actually utilized the immediately preceding October in extending real property taxes upon the tax rolls;

(3) A "harvest factor" which is the product of such quarterly average and such dollar rate; and

(4) The proportion that each taxing agency's harvest factor bears to the sum of the harvest factors for all taxing agencies in the county.

(d) In determining the harvest factor in subdivision (a), the auditor shall adjust for boundary changes as of the last lien date, and may require from the county information on boundary changes necessary to make such alterations. In establishing the harvest factor for a new district, an auditor shall assume that yield taxes have been collected within boundaries of the new district for the previous 12 quarters.

38907. On or before December 1, 1979, and each December 1 each year thereafter until December 1, 1981, the Controller shall certify to the State Board of Equalization the amount necessary to restore any deficient allocations as provided for in subdivision (c) of Section 38905, plus the difference between five million dollars ($5,000,000) and the current balance of the Timber Tax Reserve Fund.

38908. Local governmental entities which are allocated funds pursuant to Section 38905 or 38906 may expend such funds without restriction.

SEC. 14. Section 12400 of the Welfare and Institutions Code is amended to read:

12400. (a) For the 1974–75 fiscal year, the county share toward the cost of state supplementary aid provided under this chapter shall be the amount specified for the particular county in the following table:

Alameda	7,025,338
Alpine	4,947
Amador	38,704
Butte	670,251
Calaveras	77,181
Colusa	49,813
Contra Costa	3,476,380
Del Norte	114,534
El Dorado	250,723
Fresno	2,904,906
Glenn	68,691
Humboldt	720,054
Imperial	470,331
Inyo	72,676
Kern	2,185,196
Kings	388,717
Lake	200,967

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Lassen	74,308
Los Angeles	46,323,058
Madera	461,328
Marin	579,850
Mariposa	29,298
Mendocino	353,434
Merced	707,640
Modoc	43,587
Mono	12,975
Monterey	923,764
Napa	415,106
Nevada	179,187
Orange	3,060,075
Placer	367,389
Plumas	73,565
Riverside	2,669,507
Sacramento	4,872,097
San Benito	73,296
San Bernardino	3,090,547
San Diego	5,367,654
San Francisco	9,468,300
San Joaquin	2,617,685
San Luis Obispo	539,061
San Mateo	2,258,583
Santa Barbara	1,077,275
Santa Clara	4,656,892
Santa Cruz	755,346
Shasta	588,992
Sierra	9,556
Siskiyou	180,859
Solano	691,459
Sonoma	1,118,960
Stanislaus	1,523,171
Sutter	213,560
Tehama	179,320
Trinity	36,021
Tulare	1,606,935
Tuolumne	113,202
Ventura	1,188,797
Yolo	462,791
Yuba	316,161
	$118,000,000

For the fiscal year 1973–74, each county's share shall be 45 percent of the amount specified in the above table for the particular county. Beginning with the fiscal year 1975–76, the amount payable by each county in each subsequent year shall be determined by multiplying

the 1974–75 base-year amount by the ratio of the county's modified assessed value in the subsequent year to the county's modified assessed value in the base year.

(b) The term "modified assessed value" means the total of (1) the taxable assessed value of state-assessed property and the exempt assessed value of partially or totally exempt state-assessed property on which tax losses are reimbursed by the state and (2) the product of the factor prescribed in Section 17261 of the Education Code times the sum of (i) the taxable assessed value of county-assessed property, (ii) the exempt assessed value of partially or totally exempt county-assessed property on which tax losses are reimbursed by the state, and (iii) the sum of assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code. The assessed valuation equivalents of Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the county's secured tax rate for the prior year.

The State Controller shall determine the amount payable by each particular county in subsequent fiscal years under this section.

(c) The counties' share toward the cost of care and administration provided under this chapter shall be paid to the state monthly.

SEC. 15. Section 14150 of the Welfare and Institutions Code is amended to read:

14150. (a) For the 1971–72 fiscal year, the county share toward the cost of care and administration provided under this chapter shall be the amount specified for the particular county in the following table:

Alameda	$11,832,000
Alpine	5,000
Amador	156,000
Butte	952,000
Calaveras	215,000
Colusa	142,000
Contra Costa	6,018,000
Del Norte	123,000
El Dorado	359,000
Fresno	6,873,000
Glenn	187,000
Humboldt	1,200,000
Imperial	430,000
Inyo	241,000
Kern	5,233,000
Kings	740,000
Lake	132,000
Lassen	124,000
Los Angeles	99,975,000

Madera	661,000
Marin	1,120,000
Mariposa	33,000
Mendocino	550,000
Merced	1,545,000
Modoc	120,000
Mono	31,000
Monterey	2,595,000
Napa	550,000
Nevada	425,000
Orange	10,395,000
Placer	913,000
Plumas	220,000
Riverside	5,160,000
Sacramento	8,627,000
San Benito	181,000
San Bernardino	6,462,000
San Diego	8,050,000
San Francisco	15,268,000
San Joaquin	7,390,000
San Luis Obispo	1,443,000
San Mateo	5,600,000
Santa Barbara	2,470,000
Santa Clara	9,400,000
Santa Cruz	1,335,000
Shasta	660,000
Sierra	13,000
Siskiyou	390,000
Solano	796,000
Sonoma	2,250,000
Stanislaus	2,630,000
Sutter	770,000
Tehama	290,000
Trinity	107,000
Tulare	2,845,000
Tuolumne	284,000
Ventura	2,776,000
Yolo	1,050,000
Yuba	750,000

The amount payable by each county in each subsequent year beginning with the 1972–73 fiscal year shall be determined by multiplying the base-year amount by the ratio of the county's modified assessed value in the subsequent year to the county's modified assessed value in the base year. The term "modified assessed value" means the total of (a) the taxable assessed value of state-assessed property and the exempt assessed value of partially or totally exempt state-assessed property on which tax losses are

reimbursed by the state and (b) the product of the factor prescribed in Section 17261 of the Education Code times the sum of (1) the taxable assessed value of county-assessed property, (2) the exempt assessed value of partially or totally exempt county-assessed property on which tax losses are reimbursed by the state, and (3) the sum of the assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code. The assessed valuation equivalents of Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the county's secured tax rate for the prior year.

The State Controller shall determine the amount payable by each particular county in subsequent fiscal years under this section.

(b) As used in this section, the terms "eligible" and "eligibles" mean all persons who are public assistance recipients, and all persons eligible under Sections 14005.2, 14005.3, 14005.4, and 14005.6, and all persons eligible under Section 14005.7 who are certified for Medi-Cal coverage by the department.

(c) The counties' share toward the cost of care and administration provided under this chapter shall be paid to the state monthly.

(d) Notwithstanding the provisions of Sections 5707, 5709.5, 5710, and 5714 of the Welfare and Institutions Code, payment for the costs of health care services provided under Part 2, Division 5, of the Welfare and Institutions Code, the Short-Doyle Act, shall be made in accordance with the provisions of this section.

(e) Notwithstanding the provisions of Section 7511 of the Welfare and Institutions Code, payment for the share of costs of health care services provided under Chapter 4, Division 7, of the Welfare and Institutions Code, shall be made in accordance with the provisions of this section.

SEC. 16. Section 14150.5 of the Welfare and Institutions Code is amended to read:

14150.5. Notwithstanding the provisions of Section 14150, commencing with the 1974–75 fiscal year, no county shall be required to pay as the county share toward the cost of care and administration in any fiscal year under Section 14150 an amount which would exceed the amount produced by a property tax rate of sixty cents ($0.60) per one hundred dollars ($100) of modified assessed value of property in the county for the 1974–75 fiscal year and for each subsequent fiscal year. The term "modified assessed value" means the total of (a) the taxable assessed value of state-assessed property and the exempt assessed value of partially or totally exempt state-assessed property on which tax losses are reimbursed by the state and (b) the product of the factor prescribed in Section 17261 of the Education Code times the sum of (1) the taxable assessed value of county-assessed property, (2) the exempt assessed value of partially or totally exempt county-assessed property on which tax losses are reimbursed by the

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state, and (3) the sum of the assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code. The assessed valuation equivalents of Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the county's secured tax rate for the prior year.

Any relief to the county under this section shall be first used to reduce the amount owing by any county of the 15th class to the state under the Medi-Cal program.

SEC. 17. The Legislature finds and declares that the yield tax imposed by this act is a state tax which is authorized under subdivision (j) of Section 3 of Article XIII of the Constitution for the state purpose of encouraging the continued use of timberlands for the production of trees for timber products. In doing so, the public policy of the state as expressed in the Constitution will be entirely fulfilled and the state as a whole will benefit. The yield tax is in lieu of all ad valorem property taxes on timber.

SEC. 18. There is hereby appropriated from the General Fund to the State Forester thirteen thousand five hundred dollars ($13,500).

SEC. 19. There is hereby appropriated from the General Fund to the State Board of Equalization five hundred twenty-nine thousand eight hundred fourteen dollars ($529,814).

SEC. 20. Notwithstanding Section 2229 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made because this act provides replacement revenues for all property tax revenue reductions resulting from this act.

SEC. 21. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because there are savings as well as costs in this act which, in the aggregate, do not result in significant identifiable cost changes.

SEC. 22. This act shall become operative immediately to the extent necessary to administratively implement its provisions; however the property tax assessment provisions shall be applicable to assessments for the 1977–78 fiscal year and thereafter, and the tax imposed pursuant to Section 13 of this act shall be applied on and after April 1, 1977.

SEC. 23. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the property tax provisions of this act may be applicable on the lien date in 1977 and the yield tax may be applicable on April 1, 1977, it is necessary that the administrative

provisions of this act become operative at the earliest possible time. Such early operation will insure an orderly transition to a new method of taxing timber and timberland and avoid any interruption of revenues to local agencies.

CHAPTER 177

An act to amend Section 15001 of, and to add Section 15001.5 to, the Health and Safety Code, relating to seismic structural safety requirements for hospital buildings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1976. Filed with Secretary of State May 27, 1976.]

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

SECTION 1. Section 15001 of the Health and Safety Code is amended to read:

15001. (a) "Hospital building," as used in this chapter, shall include any building not specified in subdivision (b) which is used, or designed to be used, for a health facility of a type required to be licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2.

(b) "Hospital building" shall not include any of the following:

(1) Any building in which only outpatient services are provided and which is not physically attached to a building in which inpatient services are provided.

(2) Any building used, or designed to be used, for a skilled nursing facility or intermediate care facility if such building is of single-story, wood frame construction.

(3) Any building of single-story, wood frame construction in which only skilled nursing or intermediate care services are provided if such building is not physically attached to a building housing other patients of the health facility receiving higher levels of care.

SEC. 2. Section 15001.5 is added to the Health and Safety Code, to read:

15001.5. New construction of buildings specified in paragraphs (2) and (3) of subdivision (b) of Section 15001 shall conform to the provisions of the latest edition of the Uniform Building Code of the International Conference of Building Officials. A structural engineer shall submit a declaration that, in his opinion and to the best of his knowledge, the design and construction of such buildings comply with such standards. The declaration of the structural engineer shall be transmitted to the state department and shall additionally include an assessment of the nature of the site and the potential for earthquake damage based upon engineering investigation by competent personnel.

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For the purposes of Section 1265.8, the state department shall be deemed to have approved the construction of any building subject to the requirements of this section for which a declaration meeting such requirements has been received by the department.

The Legislature recognizes the relative safety of single-story, wood frame construction for use in housing patients requiring skilled nursing and intermediate care services and it is, therefore, the intent of the Legislature to provide for reasonable flexibility in seismic safety standards for such structures.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to revise the term "hospital building" in the law relating to seismic safety requirements at the earliest opportunity, it is necessary that this act take immediate effect.

CHAPTER 178

An act to add Section 21562 to the Water Code, relating to irrigation districts.

[Approved by Governor May 26, 1976 Filed with Secretary of State May 27, 1976.]

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

SECTION 1. Section 21562 is added to the Water Code, to read:

21562. Notwithstanding Section 21550, if a district contains no divisions and the board consists of three members, without establishing divisions the district may increase the number of directors from three to five by following the procedure set forth in this article.

CHAPTER 179

An act to amend Sections 7154, 7155, and 7172 of the Financial Code, relating to savings and loan associations.

[Approved by Governor May 26, 1976 Filed with Secretary of State May 27, 1976]

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

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SECTION 1. Section 7154 of the Financial Code is amended to read:

7154. An association may make unamortized loans upon the security of improved real property on the following terms:

(a) In an amount not exceeding 60 percent of the appraised value of such property if the terms of such loans do not exceed three years, after which the loan may not be extended and may be refinanced or modified only with an amortized loan in accordance with the provisions of Section 7150.

(b) In an amount not exceeding 70 percent of the appraised value of such property if the terms of such loans do not exceed two years, after which the loan may not be extended and may be refinanced or modified only with an amortized loan in accordance with the provisions of Section 7150.

SEC. 2. Section 7155 of the Financial Code is amended to read:

7155. An association may make loans on the security of unimproved real property in an amount not in excess of the following amounts:

(a) Seventy percent of the appraised value for a term of not to exceed two years, after which the loan may not be extended and may be refinanced or modified only with an amortized loan.

(b) Seventy-five percent of the appraised value for a term of not to exceed three years, if the real property is a building lot or site or building lots or sites, ready for the construction on each such building lot or site of a structure designed for residential use for one family. Such loan may be extended for an additional period not in excess of three years, provided interest on the loan is then current and the outstanding balance of the loan is or has been reduced to an amount not in excess of 75 percent of the current appraised value of the security property. No loan shall be made under the sole authority of this subdivision if the aggregate amount of such loan and of the balance of all outstanding loans made pursuant to the provisions of this subdivision exceeds 5 percent of the association's assets.

(c) Seventy-five percent of the appraised value for a term of not to exceed five years, if the real property is a building lot or site ready for construction of a structure designed for residential use for one family. Each loan made pursuant to the provisions of this subdivision shall provide for equal, or substantially equal, monthly payments of principal and interest, or equal monthly payments of principal with interest payable monthly on the unpaid balance, beginning not more than 60 days after disbursement of the loan, sufficient to amortize at least 40 percent of the original principal amount of the loan prior to the end of the loan term. The borrower, including a purchaser who assumes the loan, shall execute a certification in writing stating that no lien or charge on such property, other than the lien of the association or liens or charges which will be discharged from the proceeds of the loan or liens in favor of any public entity or authority to secure payment of taxes, assessments or similar items, has been

given or executed by the borrower or has been contracted or agreed to be so given or executed by the borrower or has been contracted or agreed to be so given or executed. The borrower shall further certify in writing that:

(1) It is his intention that the lot which is security for the loan will be the site for construction of his permanent home and is not a site for a seasonal or vacation home, and

(2) Such borrower does not own and is not purchasing any other lot intended to be the site for construction of his permanent home.

SEC. 3. Section 7172 of the Financial Code is amended to read:

7172. An association shall not make any one loan in an amount exceeding seventy-five thousand dollars ($75,000) principal if the loan exceeds 1 percent of the book value of the association's assets unless consent is obtained from the commissioner. The provisions of this section are subject to the provisions of Section 7104.

CHAPTER 180

An act to amend Section 10053 of the Business and Professions Code, relating to real estate, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1976. Filed with Secretary of State May 27, 1976]

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

SECTION 1. Section 10053 of the Business and Professions Code is amended to read:

10053. The membership of the commission shall be composed of nine members, including the commissioner. The commissioner shall have been for five years a real estate broker actively engaged as such in California, or shall possess related experience associated with real estate activity in California for five years within the last 10 years. Six members shall have been, each, for five years a real estate broker actively engaged in business as such in California; and two shall be public members.

SEC. 2. This act is an urgency statute as that term is used in Article IV, Section 8 of the Constitution, and as such shall go into effect immediately. The facts constituting such urgency are: A vacancy exists in the office of Real Estate Commissioner and the dynamics of the real estate industry indicate the best interests of the state would be served by filling that vacancy expeditiously. Simultaneously the public interest in such aspects of the real estate industry as subdivisions, condominiums, and real estate securities indicates a need to provide greater flexibility in prequalification standards for selection of a commissioner. For these reasons it is urgent that this statute providing that flexibility go into effect

immediately thus enabling appointment of a commissioner without untoward delay.

CHAPTER 181

An act to amend Section 13135.1 of the Education Code, relating to teacher qualifications, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1976. Filed with Secretary of State May 27, 1976.]

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

SECTION 1. Section 13135.1 of the Education Code is amended to read:

13135.1. The commission shall issue, upon direct application by a qualified applicant, any credential specified in Section 13135 and such other specialists instruction credentials as the commission may establish, except that special education specialist credentials issued under the provisions of this section shall only be those which authorize teaching in programs for the learning handicapped or the severely handicapped, as both are defined in Section 7027, to an applicant who possesses a valid regular California teaching credential and who is, in the judgment of the commission, qualified to receive the credential. The credential issued under the terms of this section shall be a "full," "clear," or "professional" credential. Determination of qualification shall be limited to either (a) or (a) and (b):

(a) Specialized training: Twenty-four semester units, or equivalent credit, of specialized training in the field for which the credential is to be issued shall be required. Such training may include training in a related field or fields. The commission shall establish guidelines to determine what constitutes qualifying training and what are related fields. Qualifications for specialist in special education credentials authorizing teaching in programs for learning handicapped or severely handicapped pupils, as both are defined in Section 7027, shall include, but need not be limited to, training in (1) learning disabilities, (2) perceptual-motor training, and (3) language development. Such training shall have commenced on or after the beginning of the school year 1964–65 and been completed on or before September 15, 1977, and shall have been undertaken in a California institution accredited by the State Board of Education, or approved by the commission. If the applicant received training, within the same time limits, in an out-of-state institution, credit for such training shall apply only if, at the time the training was taken, the institution was accredited by the appropriate regional accrediting body and accredited or approved by the certification

agency of the state in which the institution is located. The commission shall allow up to six semester units credit for experience, pursuant to subdivision (b), in lieu of course-work.

(b) Experience in actual practice of the specialization in the public schools or in a private school or institution of equivalent status. Such experience shall have commenced on or after September 1, 1970. Such experience need not have been full time in the specialization, but shall, demonstrate the applicant's ability to function in the specialization, as shown by continued employment in such schools in a position or in positions which utilize the skills of the credential field or related fields.

(c) Application for credentials pursuant to this section shall be made by September 15, 1977.

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

In order that the special education specialist credential may be issued as early as practicable with reference to the 1976–77 school year to persons with experience not acquired in public schools, this act must take effect at the earliest possible date.

CHAPTER 182

An act to amend Section 13928 of the Government Code, relating to the State Board of Control.

[Approved by Governor May 26, 1976. Filed with Secretary of State May 27, 1976.]

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

SECTION 1. Section 13928 of the Government Code is amended to read:

13928. The board shall take any and all necessary steps to ensure that all claims which have been approved by the board, and for which there exists no legally available appropriation, are submitted for legislative approval at least twice during each calendar year.

CHAPTER 183

An act to amend Sections 22840 and 22842 of the Elections Code, relating to election of municipal officers.

[Approved by Governor May 26, 1976. Filed with Secretary of State May 27, 1976.]

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

SECTION 1. Section 22840 of the Elections Code is amended to read:

22840. All nomination papers shall be filed with the city clerk during regular business hours not later than 12 o'clock noon on the 68th day before the election. No candidate shall withdraw his nomination paper after it is filed with the city clerk as provided in this section.

SEC. 2. Section 22842 of the Elections Code is amended to read:

22842. All forms required for nomination and election to all municipal offices shall be furnished only by the city clerk during regular business hours. At the time of issuance of those forms the city clerk shall type in the forms the name of the candidate and the office for which he is a candidate, shall imprint a stamp which reads "Official Filing Form," and shall affix his signature. At the time nomination papers are issued to a candidate the city clerk shall imprint the date. The forms shall be distributed without charge to all candidates applying for them.

CHAPTER 184

An act to amend Section 21123 of the Water Code, relating to irrigation district officers.

[Approved by Governor May 26, 1976 Filed with Secretary of State May 27, 1976.]

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

SECTION 1. Section 21123 of the Water Code is amended to read:

21123. A board may, at least 90 days before a general district election, determine that the offices of assessor, collector, or treasurer or any of them shall be filled by appointment by the board to serve at its pleasure rather than being filled by election. A person so appointed need not be a resident or elector of the district.

CHAPTER 185

An act to amend Section 8664 of the Elections Code, relating to the Democratic State Central Committee.

[Approved by Governor May 26, 1976 Filed with Secretary of State May 27, 1976]

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

SECTION 1. Section 8664 of the Elections Code is amended to read:

8664. Appointments of members to this committee shall be made in writing signed by the delegate under penalty of perjury and delivered to the Secretary of State not later than 5 o'clock p.m. of the 16th day immediately preceding the Sunday on which the first meeting of the committee is to be held.

CHAPTER 186

An act relating to the California State Exposition and Fair, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1976. Filed with Secretary of State May 27, 1976]

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

SECTION 1. To insure the efficient operation of the California State Exposition and Fair, the Department of Parks and Recreation may, subject to the review and approval of the Department of General Services and the Department of Finance, purchase any outstanding master food, beverage, and novelties contract with Ancorp National Services, Incorporated, relating to such organization supplying such services or goods to the California State Exposition and Fair.

SEC. 2. There is hereby appropriated from the General Fund the sum of two million six hundred fifty-five thousand dollars ($2,655,000) to be allocated as follows:

(a) Two million six hundred forty thousand dollars ($2,640,000) to the Department of Parks and Recreation for the purposes of purchasing contracts specified in Section 1 of this act.

(b) Fifteen thousand dollars ($15,000) to the Department of General Services for appraising the contracts specified in Section 1 of this act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This bill provides for the purchase of certain outstanding contracts relating to the California State Exposition and Fair. Such purchase was recommended by a special committee that studied the operation of the California State Exposition and Fair and will be of great benefit to the state in terms of efficient operation of the California State Exposition and Fair. Such purchase must be made at the earliest possible time in order to provide maximum benefit to the state, and thus, it is necessary that this act take effect immediately.

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CHAPTER 187

An act to amend Sections 7071.12, 7548, 8697.6, 9891.35, 10238, and 22391 of the Business and Professions Code, relating to surety deposits.

[Approved by Governor May 26, 1976. Filed with Secretary of State May 27, 1976]

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

SECTION 1. Section 7071.12 of the Business and Professions Code is amended to read:

7071.12. The alternative requirement of a cash deposit as provided for in this article can be satisfied by any of the following:

(a) Certificates of deposit payable to the board issued by banks doing business in this state and insured by the Federal Deposit Insurance Corporation;

(b) Investment certificates or share accounts assigned to the board and issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation;

(c) Bearer bonds issued by the United States government or by this state; or

(d) Cash deposited with the board.

(e) Certificate for funds or share accounts assigned to the board and issued by a credit union, as defined in Section 14000 of the Financial Code, whose share deposits are guaranteed by the National Credit Union Administration or guaranteed by any other agency approved by the Department of Corporations.

The terms and conditions surrounding each of the foregoing types of security shall be prescribed by the board.

SEC. 2. Section 7548 of the Business and Professions Code is amended to read:

7548. In lieu of the surety bond required by this article there may be deposited with the State of California the sum of two thousand dollars ($2,000) in cash, or evidence of deposit of the sum of two thousand dollars ($2,000) in banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, or investment certificates or share accounts in the amount of two thousand dollars ($2,000) issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation, or evidence of a certificate of funds or share account of the sum of two thousand dollars ($2,000) in a credit union, as defined in Section 14000 of the Financial Code, whose share deposits are guaranteed by the National Credit Union Administration or guaranteed by any other agency approved by the Department of Corporations.

SEC. 3. Section 8697.6 of the Business and Professions Code is

amended to read:

8697.6. In lieu of furnishing any bond required by this article, the licensee may deposit with the board a cash deposit. This cash deposit may be satisfied by any of the following:

(1) Certificates of deposit payable to the board issued by banks doing business in this state and insured by the Federal Deposit Insurance Corporation.

(2) Investment certificates or share accounts assigned to the board and issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation.

(3) Bearer bonds issued by the United States government or by this state.

(4) Cash deposited with the board.

(5) Certificate of funds or share accounts assigned to the board and issued by a credit union, as defined in Section 14000 of the Financial Code, whose share deposits are guaranteed by the National Credit Union Administration or guaranteed by any other agency approved by the Department of Corporations.

SEC. 4. Section 9891.35 of the Business and Professions Code is amended to read:

9891.35. A tax preparer shall deposit with the division, prior to registration or registration renewal, one of the following:

(a) A cash deposit in the penal sum of one thousand dollars ($1,000).

(b) A bond issued by an admitted surety payable to the people of the State of California in the penal sum of one thousand dollars ($1,000).

(c) Certificates of deposit in the penal sum of one thousand dollars ($1,000) assigned to the division on behalf of the people of the State of California issued by banks doing business in this state and insured by the Federal Deposit Insurance Corporation.

(d) Investment certificates or share accounts in the penal sum of one thousand dollars ($1,000) assigned to the division on behalf of the people of the State of California and issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation.

(e) Certificate for funds or share accounts in the penal sum of one thousand dollars ($1,000) assigned to the division on behalf of the people of the State of California and issued by a credit union, as defined in Section 14000 of the Financial Code, whose share deposits are guaranteed by the National Credit Union Administration or guaranteed by any other agency approved by the Department of Corporations.

Any of the above forms of security shall be conditioned that the person applying for registration or registration renewal will comply with this chapter and will pay all damages occasioned to any person by reason of misstatement, misrepresentation, fraud, deceit or any

unlawful acts or omissions by the tax preparer, or its agents or employees while acting in the scope of their employment or agency. The aggregate liability of the surety shall in no event exceed the penal sum of the bond or deposit.

SEC. 5. Section 10238 of the Business and Professions Code is amended to read:

10238. In lieu of the bond required by Section 10237.8 a real property securities dealer may file a cash bond in the sum of five thousand dollars ($5,000), evidence of deposit in banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, or certificate for funds or share accounts in the amount of five thousand dollars ($5,000) issued by a credit union, as defined in Section 14000 of the Financial Code, whose share deposits are guaranteed by the National Credit Union Administration or guaranteed by any other agency approved by the Department of Corporations, investment certificates or share accounts in the amount of five thousand dollars ($5,000) issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation, or bonds issued by the United States or the State of California in the principal amount of six thousand dollars ($6,000) with the State Treasurer. Such bond shall be subject to all conditions set forth in Sections 10237.8 and 10237.9.

SEC. 6. Section 22391 of the Business and Professions Code is amended to read:

22391. In lieu of furnishing the bond required by Section 22389, the invention developer may deposit with the Secretary of State a cash deposit in the like amount. This cash deposit may be satisfied by any of the following:

(a) Certificates of deposit payable to the Secretary of State issued by banks doing business in this state and insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates of share accounts assigned to the Secretary of State and issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation.

(c) Bearer bonds issued by the United States government or by this state.

(d) Cash deposited with the Secretary of State.

(e) Certificate for funds or share accounts assigned to the Secretary of State and issued by a credit union, as defined in Section 14000 of the Financial Code, whose share deposits are guaranteed by the National Credit Union Administration or guaranteed by any other agency approved by the Department of Corporations.

CHAPTER 188

An act to amend Section 22825.1 of the Government Code, relating to the State Employees' Medical and Hospital Care Act, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 27, 1976. Filed with Secretary of State May 28, 1976.]

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

SECTION 1. Section 22825.1 of the Government Code is amended to read:

22825.1. Notwithstanding any other provision of this article, the employer's contribution, with respect to each state officer and employee or an annuitant who was in such employment or office including an academic position with a California state university or college or is a survivor of such person, shall be the amount necessary to pay the cost of his enrollment, including the enrollment of his family members, in a health benefits plan or plans or, if less, twenty-nine dollars ($29) for basic and related major medical plans with respect to employees or annuitants enrolled for self alone or for an employee or annuitant so enrolled for self and one family member, forty-nine dollars ($49) or, for an employee or annuitant so enrolled for self and two or more family members, sixty dollars ($60). The annual total compensation report by the State Personnel Board shall recommend adjustments of the dollar amounts herein based on the principle that the employer's contribution for each employee or annuitant shall be an amount equal to 85 percent of the weighted average of the premium charges required for basic and related major medical plans with respect to employees or annuitants enrolled for self alone plus 60 percent of the weighted average of the additional premium charges required for enrollment of family members in basic and major medical plans as applicable for the level of benefits offered by (1) the statewide service plan contracted by the state; (2) the statewide indemnity plan contracted by the state; (3) the two prepaid comprehensive medical-hospital plans with the largest number of enrollments contracted by the state, as determined by the board, whichever is less. There shall be only one such contribution with respect to all annuitants receiving allowances as survivors of the same employee or annuitant.

The employer's contribution under this section for each employee shall commence on the effective date of his enrollment.

The contribution of each employee and annuitant shall be the total cost per month of the benefit coverage afforded him under the plan or plans less the portion thereof to be contributed by the employer.

SEC. 2. This act shall become operative on March 31, 1976. The State Controller shall make such refunds or adjustments in

contributions of employees and annuitants as necessary to give effect to the increased employer's contribution provided in Section 22825.1 of the Government Code, as of March 31, 1976.

SEC. 3. Seven million seven hundred seventy-two thousand dollars ($7,772,000) is hereby appropriated for allocation by the Department of Finance, as follows:

(a) From the General Fund, in augmentation of Item 97, Budget Act of 1975	$5,610,000
(b) From each special fund, in augmentation of Item 98, Budget Act of 1975	$892,000
(c) From each nongovernmental cost fund, in augmentation of Item 99, Budget Act of 1975	$1,270,000

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

Premium charges required for basic and related major medical plans contracted by the state will be increased on April 1, 1976. In order for the employer's contribution for each employee or annuitant for health benefit plans to remain at the present percentage, it is necessary that this act go into immediate effect.

CHAPTER 189

An act to amend Sections 14002, 14004, 14009, 14010, and 14215.5 of, and to repeal Section 14002 of, the Elections Code, and to repeal Section 25.5 of Chapter 1203 of the Statutes of 1975, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1976. Filed with Secretary of State May 28, 1976.]

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

SECTION 1. Section 14002 of the Elections Code, as amended by Section 2.2 of Chapter 1203 of the Statutes of 1975, is repealed.

SEC. 2. Section 14002 of the Elections Code, as amended by Section 2.3 of Chapter 1203 of the Statutes of 1975, is amended to read:

14002. The county clerk shall furnish to the election officers:

(a) Printed copies of the indexes.

(b) Necessary printed blanks for the roster, tally sheets, lists of voters, declarations and returns.

(c) Envelopes in which to enclose the returns.

(d) Not less than six nor more than 12 instruction cards to each

precinct for the guidance of voters in obtaining and marking their ballots. On each card shall be printed necessary instructions and the provisions of Sections 14011, 14012, 14211, 14212, 14407, 14408, 14416, 14418, 14420, 14422, 14432, 14433, 14434, 14435, 17002, 17003, 17009, 17011, 17013, 17014, 17015, and 29001.

(e) A digest of the election laws with any further instructions the county clerk may desire to make.

(f) In addition the county clerk, with the approval of the board of supervisors, may furnish the original books of affidavits of registration or other material necessary to verify signatures to the elections office.

SEC. 3. Section 14004 of the Elections Code is amended to read:

14004. All officers required by law to designate polling places shall furnish the polling places with:

(a) An American Flag of such size as may be determined by the board of supervisors, to be erected at or near each polling place within the county.

(b) A ballot box, to be marked on the outside "general ballots."

(c) When any city officers are to be elected, a second ballot box, to be marked on the outside "municipal ballots."

(d) A sufficient number of places, booths, or compartments, at or in which voters may conveniently mark their ballots, so that they may be screened from the observation of others.

Each place, compartment, or booth shall be so adjusted as to conceal from any observation the voter's marking of the ballot.

(e) Several inkpads and several stamps for each booth. The stamp shall be one solid piece and shall be made so that a cross (+) may be made with either end.

(f) When a candidate or candidates have qualified to have his or their names counted pursuant to Chapter 8.5 (commencing with Section 18600) of Division 10, a sufficient number of writing instruments in the voting booths for the purpose of writing in on the ballot the name of such candidate or candidates.

SEC. 4. Section 14009 of the Elections Code is amended to read:

14009. The precinct board shall not furnish for use in the voting compartments any means or method by which a ballot may be marked other than those required by subdivisions (e) and (f) of Section 14004.

SEC. 5. Section 14010 of the Elections Code is amended to read:

14010. Nothing contained in this chapter shall prevent a voter from using a writing instrument as specified in subdivision (f) of Section 14004 for the purposes of writing on the ballot the name of any candidate for whom he desires to vote.

SEC. 6. Section 25.5 of Chapter 1205 of the Statutes of 1975 is repealed.

SEC. 7. Section 14215.5 of the Elections Code, as added by Chapter 704 of the Statutes of 1975, is amended to read:

14215.5. Notwithstanding the provisions of Section 14215, the

roster to be kept by each precinct board may be in the form of an index to the affidavits of registration for that precinct. Such index shall provide space of sufficient size to allow each voter to sign his name pursuant to Section 14402.

SEC. 8. Section 7 of this act shall become operative on July 1, 1976.

SEC. 9. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the additional net costs, if any, imposed on local government by this act are insignificant in nature and will not place any financial burden on local government.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to avoid confusion in the June 1976 direct primary election it is necessary that this act take immediate effect.

CHAPTER 190

An act relating to the City of Marina, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1976. Filed with Secretary of State May 28, 1976.]

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

SECTION 1. Notwithstanding the provisions of Sections 54902 and 54903 of the Government Code, the dissolution of the Marina Fire Protection District shall be effective for assessment and taxation purposes for the 1976–1977 fiscal year if the map and statement required by Sections 54902 and 54903 are filed as provided therein on or before July 1, 1976.

SEC. 2. Notwithstanding the provisions of Chapter 3 (commencing with Section 2201) of Part 4, Division 1 of the Revenue and Taxation Code, the maximum property tax rate for the City of Marina shall be one dollar and fifty-five cents ($1.55) per one hundred dollars ($100) of assessed value. Such rate shall apply beginning with the 1976–1977 fiscal year and may thereafter be adjusted as provided in Chapter 3 (commencing with Section 2201) of Part 4, Division 1 of the Revenue and Taxation Code.

This section shall become operative on the date on which the map and statement certifying the dissolution of the Marina Fire Protection District has been filed as provided in Section 1 of this act.

SEC. 3. The Legislature finds and declares that due to an

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oversight no maximum property tax rate was established for the City of Marina at the election on the incorporation of such city; that an additional election to establish such maximum property tax rate would be unduly costly to the taxpayers of such city; that a maximum property tax rate of one dollar and fifty-five cents ($1.55) represents the aggregate of property tax rates levied by various special districts which formerly provided services to the area now served by the City of Marina and which are currently being dissolved; and that a maximum property tax rate of one dollar and fifty-five cents ($1.55) should be authorized for such city when the last of such districts, the Marina Fire Protection District, has been dissolved.

SEC. 4. The Legislature finds and declares that the maximum property tax rate of one dollar and fifty-five cents ($1.55), authorized for the City of Marina by Section 2 of this act, represents the aggregate property tax rates levied during the current fiscal year by the various special districts providing services to the area to be served by the City of Marina; and that consequently enactment of Section 2 of this act will not alter or otherwise affect the amount of state reimbursement to local governments for property tax losses caused by the homeowners' property tax exemption.

SEC. 5. The Legislature further finds and declares that the circumstances which would otherwise prevent the City of Marina from levying a property tax for the 1976–77 fiscal year are unique and cannot be addressed by a general statute.

SEC. 6. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order for the City of Marina to be authorized to levy a property tax for the 1976–1977 fiscal year, it is necessary that this act take immediate effect.

CHAPTER 191

An act to amend Section 13113 of the Health and Safety Code, relating to fire protection, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1976 Filed with Secretary of State May 28, 1976]

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

SECTION 1. Section 13113 of the Health and Safety Code is amended to read:

13113. (a) Except as otherwise provided in this section, no person, firm, or corporation shall establish, maintain, or operate any hospital, children's home, children's nursery, or institution, or a home or institution for the care of aged or senile persons, or any sanitarium or institution for insane or mentally retarded persons and any nursing or convalescent home, wherein more than six guests or patients are housed or cared for on a 24-hour-per-day basis unless there is installed and maintained in an operable condition in every building or portion thereof where patients or guests are housed an automatic sprinkler system approved by the State Fire Marshal.

(b) Any hospital, children's home, children's nursery, or institution, or any home or institution for the care of aged or senile persons, or any sanitarium or institution for insane or mentally retarded persons, or any nursing or convalescent home under construction or in existence and operating on March 4, 1972, which does not meet the requirements of this section, may operate or continue to operate without meeting such requirements until June 30, 1976. In no event shall the continued use of such facilities extend beyond that date, unless an approved automatic sprinkler system as required by this section has been installed or is in the process of being installed in accordance with the schedule set forth in subdivision (f).

(c) This section shall not apply to homes or institutions for the 24-hour-per-day care of ambulatory children if all of the following conditions are satisfied:

(1) The buildings or portions thereof in which such children are housed are not more than two stories in height and are constructed and maintained in accordance with regulations adopted by the State Fire Marshal pursuant to Section 13143.

(2) The buildings or portions thereof housing more than six such children shall have installed and maintained in an operable condition therein a fire alarm system of a type approved by the State Fire Marshal. Such system shall be activated by detectors responding to invisible products of combustion other than heat.

(3) The buildings or portions thereof do not house mentally ill or mentally retarded children.

(d) This section shall not apply to any one-story building or structure of an institution or home for the care of the aged providing 24-hour-per-day care if such building or structure is used or intended to be used for the housing of no more than six ambulatory aged persons. However, such buildings or institutions shall have installed and maintained in an operable condition therein a fire alarm system of a type approved by the State Fire Marshal. Such system shall be activated by detectors responding to products of combustion other than heat.

(e) This section shall not apply to occupancies, or any alterations

thereto, of type I construction, as defined by the State Fire Marshal, under construction or in existence on March 4, 1972.

(f) Any facility exempted from the requirements of subdivision (a) until June 30, 1976, by subdivision (b) may continue to operate without having therein an operational automatic sprinkler system approved by the State Fire Marshal if the installation of such a system, or the installation of an approved fire alarm system as authorized by subdivision (c) or (d), is commenced prior to June 30, 1976, and completed on or before December 31, 1976. Installation shall be deemed commenced for purposes of this subdivision when the facility has completed all of the following:

(1) Submitted to the state department a written contract with a licensed contractor for installation of such an automatic sprinkler system or fire alarm system in accordance with plans and specifications approved by the State Fire Marshal. The contract shall require the contractor to complete such installation within six months of the date of execution thereof and not later than December 31, 1976.

(2) Obtained all necessary permits and other governmental approvals required by law for the commencement of such installation.

(3) The contractor has commenced performance under the contract and has performed onsite work thereunder.

(g) "Under construction," as used in this section, means that actual work shall have been performed on the construction site and shall not be construed to mean that the hospital, home, nursery, institution, sanitarium or any portion thereof, is in the planning stage.

SEC. 2. Section 13113 of the Health and Safety Code, as amended by Section 1 of Senate Bill No. 1342, is amended to read:

13113. (a) Except as otherwise provided in this section, no person, firm, or corporation shall establish, maintain, or operate any hospital, children's home, children's nursery, or institution, or a home or institution for the care of aged or senile persons, or any sanitarium or institution for insane or mentally retarded persons and any nursing or convalescent home, wherein more than six guests or patients are housed or cared for on a 24-hour-per-day basis unless there is installed and maintained in an operable condition in every building or portion thereof where patients or guests are housed an automatic sprinkler system approved by the State Fire Marshal.

(b) Any hospital, children's home, children's nursery, or institution, or any home or institution for the care of aged or senile persons, or any sanitarium or institution for insane or mentally retarded persons, or any nursing or convalescent home under construction or in existence and operating on March 4, 1972, which does not meet the requirements of this section, may operate or continue to operate without meeting such requirements until June 30, 1976. In no event shall the continued use of such facilities extend

beyond that date, unless an approved automatic sprinkler system as required by this section has been installed or is in the process of being installed in accordance with the schedule set forth in subdivision (f).

(c) This section shall not apply to homes or institutions for the 24-hour-per-day care of ambulatory children if all of the following conditions are satisfied:

(1) The buildings or portions thereof in which such children are housed are not more than two stories in height and are constructed and maintained in accordance with regulations adopted by the State Fire Marshal pursuant to Section 13143.

(2) The buildings or portions thereof housing more than six children shall have installed and maintained in an operable condition therein a fire alarm system of a type approved by the State Fire Marshal. Such system shall be activated by detectors responding to invisible products of combustion other than heat.

(3) The buildings or portions thereof do not house mentally ill or mentally retarded children.

(d) This section shall not apply to any one-story building or structure of an institution or home for the care of the aged providing 24-hour-per-day care if such building or structure is used or intended to be used for the housing of no more than six ambulatory aged persons. However, such buildings or institutions shall have installed and maintained in an operable condition therein a fire alarm system of a type approved by the State Fire Marshal. Such system shall be activated by detectors responding to products of combustion other than heat.

(e) This section shall not apply to occupancies, or any alterations thereto, of type I construction, as defined by the State Fire Marshal, under construction or in existence on March 4, 1972.

(f) Any facility exempted from the requirements of subdivision (a) until June 30, 1976, by subdivision (b) may continue to operate without having therein an operational automatic sprinkler system approved by the State Fire Marshal if the installation of such a system, or the installation of an approved fire alarm system as authorized by subdivision (c) or (d), is commenced prior to June 30, 1976, and completed on or before December 31, 1976. Installation shall be deemed commenced for purposes of this subdivision when the facility has completed all of the following:

(1) Submitted to the state department a written contract with a licensed contractor for installation of such an automatic sprinkler system or fire alarm system in accordance with plans and specifications approved by the State Fire Marshal. The contract shall require the contractor to complete such installation within six months of the date of execution thereof and not later than December 31, 1976.

(2) Obtained all necessary permits and other governmental approvals required by law for the commencement of such installation.

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(3) The contractor has commenced performance under the contract and has performed onsite work thereunder.

(g) This section shall not apply to the continuing use of an existing hospital which is to be replaced by the construction of another facility, during the period of time required to complete construction of the replacement hospital and make it available for occupancy without unreasonable delay, as determined by the state department, and which shall not in any case exceed three years from the date the actual work of construction is commenced, provided each of the following conditions is satisfied:

(1) The governing body or board of the hospital, on or before June 30, 1976, files with the state department a letter of intent to replace the existing facility with a new facility, the construction of which is planned to commence prior to December 31, 1976.

(2) On or before June 30, 1976, plans for the replacement facility are approved pursuant to Chapter 1 (commencing with Section 15000) of Division 12.5, approved by the State Fire Marshal or local enforcement agency as meeting applicable requirements of this chapter and regulations adopted hereunder, and approved by the state department pursuant to its regulations and procedures governing plan review.

(3) The replacement facility is under construction prior to December 31, 1976.

(h) "Under construction," as used in this section, means that actual work shall have been performed on the construction site and shall not be construed to mean that the hospital, home, nursery, institution, sanitarium or any portion thereof, is in the planning stage.

SEC. 3. On the effective date of this act, the sum of one million five hundred thousand dollars ($1,500,000), shall be transferred from the unencumbered balance of the appropriation made by Item 280 of the Budget Act of 1975 to the State Department of Health, for expenditure, without regard to fiscal years, for making loans pursuant to Section 13111.3 of the Health and Safety Code to private nonprofit children's institutions and private nonprofit homes for the aging which are nonprofit community care facilities for adults specified in subdivision (a) of Section 1502 of the Health and Safety Code.

SEC. 4. It is the intent of the Legislature, if this bill and Senate Bill No. 1342 are both chaptered and become effective on or before January 1, 1977, both bills amend Section 13113 of the Health and Safety Code, and this bill is chaptered after Senate Bill No. 1342, that Section 13113 of the Health and Safety Code, as amended by Section 1 of Senate Bill No. 1342, be further amended on the effective date of this act in the form set forth in Section 2 of this act to incorporate the changes in Section 13113 proposed by this bill. Therefore, if this bill and Senate Bill No. 1342 are both chaptered and become effective on or before January 1, 1977, and Senate Bill No. 1342 is

chaptered before this bill and amends Section 13113, Section 2 of this act shall become operative on the effective date of this act and Section 1 of this act shall not become operative.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Initial funding of the loan program authorized by Section 13111.3 of the Health and Safety Code has proven inadequate. As a consequence many facilities required by Section 13113 of the Health and Safety Code to install automatic sprinkler systems or fire alarm devices on or before June 30, 1976, will be unable to meet such deadline and will, therefore, be required to terminate their operations. In order to avert the closure of many of such facilities, which are required to meet special social and health needs, it is necessary that this act go into immediate effect.

CHAPTER 192

An act to amend Section 18956 of the Health and Safety Code, relating to historical buildings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1976. Filed with Secretary of State May 28, 1976]

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

SECTION 1. Section 18956 of the Health and Safety Code is amended to read:

18956. The application of the provisions of Chapter 11.5 (commencing with Section 19878) of Part 3 and of Part 5.5 (commencing with Section 19955) of Division 13 of this code, Chapter 7 (commencing with Section 4450) of Division 5 of Title 1 of the Government Code, and Division 15 (commencing with Section 25000) of the Public Resources Code, as they may apply to qualified historical buildings or structures, shall be governed by this part.

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

The rehabilitation, preservation, restoration, and relocation of public historical buildings is being delayed by confusion as to the application to such buildings of requirements for making public buildings accessible to and usable by the handicapped.

In order that this confusion may be resolved without delay, it is imperative that this act take effect immediately.

CHAPTER 193

An act to amend Section 2601 of the Elections Code, and to amend Section 1773 of the Government Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 1, 1976 Filed with Secretary of State June 1, 1976.]

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

SECTION 1. Section 2601 of the Elections Code is amended to read:

2601. (a) At least 44 days before the general election, and at least 84 days, but not more than 194 days, before a special statewide election, the Governor shall issue an election proclamation, under his hand and the Great Seal of the state, and transmit copies to the boards of supervisors of the counties in which the elections are to be held; provided, that when such vacancy occurs in a congressional office after the close of the nomination period in the final year of the term of office, the Governor may decline to issue an election proclamation, at his discretion: and, provided, further that when such a vacancy occurs in a legislative office after the close of the nomination period in the final year of the term of office, no special election shall be held.

(b) A special election to fill a vacancy in the office of Representative in Congress, State Senator, or Member of Assembly shall be conducted on a Tuesday at least 84 days, but not more than 91 days, following the issuance of an election proclamation by the Governor pursuant to Section 1773 of the Government Code. Any such special election may be conducted within 180 days following the proclamation in order that the election or the primary election may be consolidated with the next regularly scheduled statewide election, but no such special primary election or special election may be conducted on the day after a state holiday.

SEC. 2. Section 1773 of the Government Code is amended to read:

1773. When a vacancy occurs in the office of Representative to Congress, or in either house of the Legislature, the Governor shall within 14 calendar days after the occurrence of the vacancy issue a writ of election to fill the vacancy; provided, that when such vacancy occurs in a congressional office after the close of the nomination period in the final year of the term of office, a special election may be held, at the Governor's discretion; and provided, further, that when a vacancy occurs in a legislative office after the close of the nomination period in the final year of the term of office, no special election shall be held.

SEC. 2. The Governor shall issue the election proclamation under his hand and the Great Seal of the state, and transmit copies

to the board of supervisors of the counties in which the election is to be held.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the expenditure of public funds will not be required for the expense of conducting special elections when such elections serve no valid public purpose, it is necessary that this act go into immediate effect.

CHAPTER 194

An act to add Section 25524.1 to the Public Resources Code, relating to energy resources.

[Approved by Governor June 3, 1976 Filed with Secretary of State June 4, 1976]

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

SECTION 1. Section 25524.1 is added to the Public Resources Code, to read:

25524.1. (a) No nuclear fission thermal powerplant requiring the reprocessing of fuel rods, including any to which the provisions of this chapter do not otherwise apply, excepting any having vested right as defined in this section, shall be permitted land use in the state or, where applicable, certified by the commission until both of the following conditions are met:

(1) The commission finds that the United States through its authorized agency has identified and approved, and there exists a technology for the construction and operation of, nuclear fuel rod reprocessing plants.

(2) The commission has reported its findings and the reasons therefor pursuant to paragraph (1) to the Legislature. Such reports of findings shall be assigned to appropriate policy committees for review. The commission may proceed to certify nuclear fission thermal powerplants 100 legislative days after reporting its findings unless within those 100 legislative days either house of the Legislature adopts by a majority vote of its members a resolution disaffirming the findings of the commission made pursuant to paragraph (1).

A resolution of disaffirmance shall set forth the reasons for the action and shall provide to the extent possible, guidance to the commission as to an appropriate method of bringing the commission's findings into conformance with paragraph (1).

If a disaffirming resolution is adopted, the commission shall reexamine its original findings consistent with matters raised in the

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resolution. On conclusion of its reexamination, the commission shall reduce its findings to writing with the reasons therefor and shall transmit them to the Legislature.

If the findings are that the conditions of paragraph (1) have been met, the commission may proceed to certify nuclear fission thermal powerplants 100 legislative days after reporting its findings to the Legislature unless within those 100 legislative days both houses of the Legislature act by statute to declare the findings null and void and takes appropriate action.

To allow sufficient time for the Legislature to act, the reports of findings of the commission shall be submitted to the Legislature at least six calendar months prior to the adjournment of the Legislature sine die.

(b) The commission shall further find on a case-by-case basis that facilities with adequate capacity to reprocess nuclear fuel rods from a certified nuclear facility or to store such fuel if such storage is approved by an authorized agency of the United States are in actual operation or will be in operation at the time such nuclear facility requires such reprocessing or storage; provided, however, that such storage of fuel is in an offsite location to the extent necessary to provide continuous onsite full core reserve storage capacity.

(c) The commission shall continue to receive and process notices of intention and applications for certification pursuant to this, division, but shall not issue a decision pursuant to Section 25523 granting a certificate until the requirements of this section have been met. All other permits, licenses, approvals, or authorizations for the entry or use of the land, including orders of court, which may be required may be processed and granted by the governmental entity concerned but construction work to install permanent equipment or structures shall not commence until the requirements of this section have been met.

For purposes of this section, the vested right to construct a nuclear thermal powerplant shall exist if, prior to the date on which this section is chaptered, an electric utility has performed substantial construction on such powerplant and has incurred substantial expense for construction and for necessary materials for such powerplant, including, but not limited to, the following sites and facilities, with the associated estimated generating capacities:

(1) As designated in the report of the Pacific Gas and Electric Company submitted to the Public Utilities Commission on December 23, 1966, pursuant to Section 1001 of the Public Utilities Code, one nuclear thermal powerplant, having a generating capacity of 1,060 megawatts, commonly known as Diablo Canyon Unit 1, to be located in San Luis Obispo County.

(2) As designated in the report of the Pacific Gas and Electric Company submitted to the Public Utilities Commission on February 16, 1968, pursuant to Section 1001 of the Public Utilities Code, one nuclear thermal powerplant, having a generating capacity of 1,060

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megawatts, commonly known as Diablo Canyon Unit 2, to be located in San Luis Obispo County.

(3) As designated in the report of the Southern California Edison Company and the San Diego Gas and Electric Company to the Public Utilities Commission on July 16, 1970, pursuant to Section 1001 of the Public Utilities Code, two nuclear thermal powerplants, having a generating capacity of 1,100 megawatts per unit, commonly known as San Onofre Unit 2 and San Onofre Unit 3, to be located in San Diego County.

SEC. 2. The provisions of this act shall not become operative if Proposition 15 of the June 1976 election is adopted by the people, whether or not this bill is chaptered before or after such adoption.

CHAPTER 195

An act to add Section 25524.3 to the Public Resources Code, relating to energy resources.

[Approved by Governor June 3, 1976. Filed with Secretary of State June 4, 1976]

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

SECTION 1. Section 25524.3 is added to the Public Resources Code, to read:

25524.3. No nuclear fission thermal powerplant, including any to which the provisions of this chapter do not otherwise apply, but excepting any having vested rights as defined in this section, shall be permitted land use in the state, or, where applicable, be certified by the commission until the following conditions have been met:

(a) The commission has undertaken and completed a study of the necessity for, and effectiveness and economic feasibility of, undergrounding and berm containment of nuclear reactors, and, upon completion of the study, the commission, after public hearings, has determined whether to require by rules and regulations that nuclear reactors be either undergrounded or berm contained. The commission shall complete such study and submit it to the Legislature, with conclusions and recommendations, within one year from the effective date of this section.

(b) In the event that the commission determines that undergrounding and berm containment are necessary, effective, or economically feasible to meet the requirements of Sections 25511 and 25520, relating to enhancing the public health and safety at a site and related facility, rules and regulations implementing such findings shall be suspended for a period of one year so as to provide the Legislature with the necessary time to evaluate and verify the results of the study.

(c) In the event that the commission determines that

undergrounding and berm containment are not necessary, effective, or economically feasible to meet the requirements of Sections 25511 and 25520, relating to enhancing the public health and safety at a site, no nuclear fission thermal powerplant shall be approved for one year thereafter, so as to provide the Legislature with the necessary time to evaluate the study for possible statutory implementation.

The commission shall continue to receive and process notices of intention and applications for certification pursuant to this division, but shall not issue a decision pursuant to Section 25523 granting a certificate until the requirements of this section have been met. All other permits, licenses, approvals or authorizations for the entry or use of the land, including orders of court, which may be required may be processed and granted by the governmental entity concerned but construction work to install permanent equipment or structures shall not commence until the requirements of this section have been met.

For purposes of this section, the vested right to construct a nuclear thermal powerplant shall exist if, prior to the date on which this section is chaptered, an electric utility has performed substantial construction on such powerplant and has incurred substantial expense for construction and for necessary materials for such powerplant, including, but not limited to, the following sites and facilities, with the associated estimated generating capacities:

(1) As designated in the report of the Pacific Gas and Electric Company submitted to the Public Utilities Commission on December 23, 1966, pursuant to Section 1001 of the Public Utilities Code, one nuclear thermal powerplant, having a generating capacity of 1,060 megawatts, commonly known as Diablo Canyon Unit 1, to be located in San Luis Obispo County.

(2) As designated in the report of the Pacific Gas and Electric Company submitted to the Public Utilities Commission on February 16, 1968, pursuant to Section 1001 of the Public Utilities Code, one nuclear thermal powerplant, having a generating capacity of 1,060 megawatts, commonly known as Diablo Canyon Unit 2, to be located in San Luis Obispo County.

(3) As designated in the report of the Southern California Edison Company and the San Diego Gas and Electric Company to the Public Utilities Commission on July 16, 1970, pursuant to Section 1001 of the Public Utilities Code, two nuclear thermal powerplants, having a generating capacity of 1,100 megawatts per unit, commonly known as San Onofre Unit 2 and San Onofre Unit 3, to be located in San Diego County.

Notwithstanding any provisions of this section to the contrary, the provisions of this section shall not apply to any nuclear fission thermal powerplant site and related facility for which a notice of intent has been filed pursuant to Section Section 25502 with, and accepted by, the commission within three years of the effective date of this act.

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SEC. 2. The provisions of this act shall not become operative if Proposition 15 of the June 1976 election is adopted by the people, whether or not this bill is chaptered before or after such adoption.

CHAPTER 196

An act to add Section 25524.2 to the Public Resources Code, relating to energy conservation.

[Approved by Governor June 3, 1976 Filed with Secretary of State June 4, 1976]

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

SECTION 1. Section 25524.2 is added to the Public Resources Code, to read:

25524.2. No nuclear fission thermal powerplant, including any to which the provisions of this chapter do not otherwise apply, but excepting those exempted herein, shall be permitted land use in the state, or where applicable, be certified by the commission until both conditions (a) and (b) have been met:

(a) The commission finds that there has been developed and that the United States through its authorized agency has approved and there exists a demonstrated technology or means for the disposal of high-level nuclear waste.

(b) The commission has reported its findings and the reasons therefor pursuant to paragraph (a) to the Legislature. Such reports of findings shall be assigned to appropriate policy committees for review. The commission may proceed to certify nuclear fission thermal powerplants 100 legislative days after reporting its findings unless within those 100 legislative days either house of the Legislature adopts by a majority vote of its members a resolution disaffirming the findings of the commission made pursuant to paragraph (a).

A resolution of disaffirmance shall set forth the reasons for the action and shall provide to the extent possible, guidance to the commission as to an appropriate method of bringing the commission's findings into conformance with paragraph (a).

If a disaffirming resolution is adopted, the commission shall reexamine its original findings consistent with matters raised in the resolution. On conclusion of its reexamination, the commission shall reduce its findings to writing with the reasons therefor and shall transmit them to the Legislature.

If the findings are that the conditions of paragraph (a) have been met, the commission may proceed to certify nuclear fission thermal powerplants 100 legislative days after reporting its findings to the Legislature unless within those 100 legislative days both houses of the Legislature act by statute to declare the findings null and void and

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take appropriate action.

To allow sufficient time for the Legislature to act, the reports of findings of the commission shall be submitted to the Legislature at least six calendar months prior to the adjournment of the Legislature sine die.

(c) As used in this section, "technology or means for the disposal of high-level nuclear waste" means a method for the permanent and terminal disposition of high-level nuclear waste. It shall not necessarily require that facilities for the application of such technology and/or means be available at the time the commission makes its findings. Such disposition shall not necessarily preclude the possibility of an approved process for retrieval of such waste.

(d) The commission shall continue to receive and process notices of intention and applications for certification pursuant to this division but shall not issue a decision pursuant to Section 25523 granting a certificate until the requirements of this section have been met. All other permits, licenses, approvals or authorizations for the entry or use of the land, including orders of court, which may be required may be processed and granted by the governmental entity concerned but construction work to install permanent equipment or structures shall not commence until the requirements of this section have been met.

(e) Any nuclear fission powerplant is exempted from the provisions of this section if prior to the date on which this section is chaptered an electric utility has performed substantial construction on such powerplant and has incurred substantial expense for construction and for necessary materials for such powerplant, including, but not limited to, the following sites and facilities, with the associated estimated generating capacities:

(1) As designated in the report of the Pacific Gas and Electric Company submitted to the Public Utilities Commission on December 23, 1966, pursuant to Section 1001 of the Public Utilities Code, one nuclear thermal powerplant, having a generating capacity of 1,060 megawatts, commonly known as Diablo Canyon Unit 1, to be located in San Luis Obispo County.

(2) As designated in the report of the Pacific Gas and Electric Company submitted to the Public Utilities Commission on February 16, 1968, pursuant to Section 1001 of the Public Utilities Code, one nuclear thermal powerplant, having a generating capacity of 1,060 megawatts, commonly known as Diablo Canyon Unit 2, to be located in San Luis Obispo County.

(3) As designated in the report of the Southern California Edison Company and the San Diego Gas and Electric Company to the Public Utilities Commission on July 16, 1970, pursuant to Section 1001 of the Public Utilities Code, two nuclear thermal powerplants, having a generating capacity of 1,100 megawatts per unit, commonly known as San Onofre Unit 2 and San Onofre Unit 3, to be located in San Diego County.

SEC. 2. The provisions of this act shall not become operative if Proposition 15 of the June 1976 election is adopted by the people, whether or not this bill is chaptered before or after such adoption.

CHAPTER 197

An act to amend Section 73826 of, and to add Section 68521 to, the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature June 7, 1976
Filed with Secretary of State June 7, 1976]

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

SECTION 1. Section 68521 is added to the Government Code, to read:

68521. (a) The Judicial Council shall provide by rule for the maintenance of records as described in subdivision (c), which shall be filed with the council by each official reporter and official reporter pro tempore of any court located in Stanislaus County. Such records shall be inspected and audited by the Judicial Council.

(b) The Judicial Council shall submit an annual report to the board of supervisors of any such county and to the Legislature summarizing the information contained in the records.

(c) Each such annual report shall include the following information relative to the official court reporters of the county:

(1) The quantity and types of transcripts prepared by the official reporters and official reporters pro tempore during the reporting period.

(2) The fees charged and the fees collected for such transcripts.

(3) Expenses incurred by the reporters in connection with the preparation of such transcripts.

(4) The amount of time the reporters have spent in attendance upon the courts for the purpose of reporting proceedings, and the compensation received for this purpose.

SEC. 2. Section 73826 of the Government Code is amended to read:

73826. Official reporters in such municipal courts, appointed pursuant to Section 72194, shall be attachés of the court and in lieu of any other compensation provided by law for their services in reporting testimony in criminal proceedings in the court, shall receive a monthly salary equal to range 50D of the Basic Salary Schedule, Salary and Position Allocation Resolution, adopted by the Board of Supervisors of the County of Stanislaus on December 9, 1975.

SEC. 3. The Legislature hereby finds and declares that, in view of its constitutionally delegated responsibility of setting salaries for

court reporters, it is necessary to obtain information regarding the total compensation paid to court reporters from all sources so as to allow proper evaluation of legislative proposals relating to court reporters' salaries on an ongoing basis.

Such legislative proposals are not made on a uniform, statewide basis, but on a county-by-county basis. Therefore, it is necessary to monitor the compensation provided court reporters on an individual county basis reflecting the periodic legislative proposals which are made for specific counties. Accordingly, this legislation affecting Stanislaus County is necessary to permit the Legislature to carry out its constitutionally delegated responsibility of setting court reporters' salaries in this county in view of the submitted request for an adjustment in the compensation provided to court reporters in such county.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act, because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

SEC. 5. This act is an urgency statute, necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution, and shall go into immediate effect. The facts constituting such necessity are:

The extreme competition for the services of certified shorthand reporters mandates immediate adjustments in the rate of court reporters' compensation in order to preserve the continued effective operation of the Modesto Municipal Court.

CHAPTER 198

An act to add Section 2.5 to the Orange County Water District Act (Chapter 924 of the Statutes of 1933), relating to the Orange County Water District, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature June 6, 1976.
Filed with Secretary of State June 7, 1976.]

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

SECTION 1. Section 2.5 is added to the Orange County Water District Act (Chapter 924 of the Statutes of 1933), to read:

Sec. 2.5. The district, by a four-fifths vote of the board of directors, may issue negotiable promissory notes to acquire funds for any district purpose. Such promissory notes shall bear interest at a rate not to exceed 8 percent per year. The maturity of such promissory notes shall not be later than five years from the date

thereof. They shall be payable from revenues and taxes levied for purposes of the district other than the payment of principal and interest on any bonded debt of the district. The total aggregate amount of such notes outstanding at any one time shall not exceed the lesser of either two million five hundred thousand dollars ($2,500,000) or 3 percent of the assessed valuation of the taxable property in the district.

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

This act will permit the Orange County Water District to immediately acquire land which is essential for district operations and which will be available for acquisition by the district for only a limited period. In order, therefore, to permit the acquisition of such land at the earliest possible time, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 199

An act to add Section 239.4 to the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), relating to metropolitan water districts.

[Became law without Governor's signature June 7, 1976.
Filed with Secretary of State June 7, 1976.]

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

SECTION 1. Section 239.4 is added to the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), to read:

239.4. The district may borrow money in anticipation of the sale of, but not in excess of the principal amount of, revenue bonds of the district, which have been duly authorized by ordinance pursuant to Section 237 but which have not yet been sold and delivered, and for that purpose may issue and sell negotiable revenue bond anticipation notes, and may refund such notes from time to time, but the maximum maturity of any such notes, as originally issued or as refunded, shall not exceed five years from the date of the original notes. The notes shall be sold in such manner as the board may determine, and such notes and the resolution providing for their issuance may contain any provision, condition or limitation which a revenue bond or any resolution providing for the issuance of revenue bonds may contain. The interest on such notes shall be payable from the same funds from which the interest on revenue bonds is payable. The principal of such notes may also be paid from said funds and, to the extent not so paid, shall be payable from the proceeds of the next sale of revenue bonds in anticipation of which the notes were issued.

The powers conferred by this section are in addition and supplemental to, and are not in substitution for, and the limitations imposed by this section shall not affect the powers conferred by, the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1, Division 2, Title 5 of the Government Code) or any other law.

CHAPTER 200

An act to amend Section 24055 of the Education Code, relating to auxiliary organizations.

[Approved by Governor June 4, 1976. Filed with Secretary of State June 7, 1976.]

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

SECTION 1. Section 24055 of the Education Code is amended to read:

24055. Each auxiliary organization formed pursuant to this article shall have a board of directors composed, both as to size and categories of membership, in accordance with regulations established by the Trustees of the California State University and Colleges.

Each governing board shall, during each fiscal year, hold at least one business meeting each quarter. The board shall have the benefit of the advice and counsel of at least one attorney admitted to practice law in this state and at least one licensed certified public accountant. Neither the attorney at law nor the certified public accountant need be members of the board.

No auxiliary organization shall accept any grant, contract, bequest, trust, or gift, unless it is so conditioned that it may be used only for purposes consistent with policies of the trustees.

Each governing board of an auxiliary organization shall conduct its business in public meetings in accordance with the provisions of Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.

CHAPTER 201

An act relating to property taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 4, 1976 Filed with Secretary of State June 7, 1976]

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

SECTION 1. As used in this act "taxing agency" includes the state, county, and city. "Taxing agency" also includes every district that assesses property for taxation purposes and levies taxes or assessments on the property so assessed.

SEC. 2. As used in this act "revenue district" includes every city and district for which the county officers assess property and collect taxes or assessments.

SEC. 3. Every act and proceeding heretofore taken by any taxing agency or revenue district or the officers thereof relative to preparing, transmitting, computing, determining or fixing the budget or the tax rate or rates of any taxing agency or revenue district, or to the assessment or equalization of property or to the levy of taxes thereon or to tax sales or certificates of tax sales, tax deeds or other conveyances, are hereby confirmed, validated and declared legally effective.

SEC. 4. (a) This act is limited to the correction of defects, irregularities and ministerial errors which the Legislature originally could have omitted from the statutory requirements of law under which the acts hereby confirmed, validated and declared legally effective were taken.

(b) This act is limited to the validating of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) This act shall not operate to confirm, validate, or legalize any act, proceeding or other matter the legality of which is being contested or inquired into in any legal proceeding, now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(d) Nothing in this act shall operate to make valid any property tax rate which is in excess of that permitted by law.

SEC. 5. If any provisions of this act or its application to any person or circumstances are held invalid, the remainder of the act and the application of its provisions to other persons or circumstances is not affected.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that certain acts and proceedings of taxing agencies and revenue districts may be validated and declared legal at the earliest possible time, it is necessary that this act take immediate effect.

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CHAPTER 202

An act to add Section 29321.1 to the Government Code, relating to revolving funds for county officers.

[Approved by Governor June 4, 1976. Filed with Secretary of State June 7, 1976]

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

SECTION 1. Section 29321.1 is added to the Government Code, to read:

29321.1. The board of supervisors may, by ordinance or resolution, authorize the county auditor to perform the functions of the board in establishing, increasing, reducing, or discontinuing any of the revolving funds provided for in this article. In the event that the board authorizes the county auditor to perform such functions of the board, the county auditor shall (a) be subject to the same requirements and limitations otherwise prescribed for the board in this article, (b) in lieu of acting by resolution, act by signed statement having the same content otherwise prescribed in this article for resolutions, and (c) render a written report to the board at the end of each fiscal year identifying the revolving funds in existence during the fiscal year, the amount of such fund, and the officer using the fund.

CHAPTER 203

An act to amend Section 1327 of the Streets and Highways Code, relating to county bridges.

[Approved by Governor June 4, 1976. Filed with Secretary of State June 7, 1976.]

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

SECTION 1. Section 1327 of the Streets and Highways Code is amended to read:

1327. The board shall afford all bidders an opportunity to examine such plans, specifications, and working details, and shall award the contract to the lowest responsible bidder. The board may provide by resolution that the bids be opened, examined, and declared by an officer designated in the resolution. Any such resolution shall require that the bids be opened at a public meeting called by the officer and that the results of the bidding be reported to the board at a subsequent regular board meeting. The notice inviting bids shall state the time and place of the public meeting and the name of the designated officer. The person to whom the contract

is awarded shall execute a bond, approved by the board for the faithful performance of the contract. Such person shall perform the work in accordance with the plans, specifications, and working details, unless all or any of them are modified by a four-fifths vote of the members of the board. In every such case if the cost of the work is reduced by reason of the modification, the person to whom the contract is awarded shall make an allowance on the contract price to the extent of such reduction.

CHAPTER 204

An act to amend Section 66424 of the Government Code, relating to subdivisions.

[Approved by Governor June 4, 1976 Filed with Secretary of State June 7, 1976.]

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

SECTION 1. Section 66424 of the Government Code is amended to read:

66424. "Subdivision" means the division of any improved or unimproved land, shown on the latest equalized county assessment roll as a unit or as contiguous units, for the purpose of sale, lease or financing, whether immediate or future except for leases of agricultural land for agricultural purposes. Property shall be considered as contiguous units, even if it is separated by roads, streets, utility easement or railroad rights-of-way. "Subdivision" includes a condominium project, as defined in Section 1350 of the Civil Code or a community apartment project, as defined in Section 11004 of the Business and Professions Code. Any conveyance of land to a governmental agency, public entity or public utility shall not be considered a division of land for purposes of computing the number of parcels.

As used in this section "agricultural purposes" means the cultivation of food or fiber or the grazing or pasturing of livestock.

CHAPTER 205

An act to amend Section 6365.2 of the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 4, 1976. Filed with Secretary of State June 7, 1976]

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

SECTION 1. Section 6365.2 of the Elections Code is amended to read:

6365.2. The remaining 25 percent of the delegation shall be chosen at large and shall be apportioned among the presidential candidates and uncommitted delegations based on recalculated percentages which are determined by the vote each candidate or uncommitted delegation received statewide divided by the total combined statewide vote for all candidates and uncommitted delegations receiving 10 percent or more of the statewide vote. No at-large delegates shall be awarded to any candidate or uncommitted delegation that fails to win at least 10 percent of the statewide vote.

The remaining 25 percent of the delegates and all of the alternates shall be selected by separate caucuses of the steering committee and the already selected delegates pledged to the various candidates or who are members of an uncommitted delegation. The candidate for President shall retain the right to approve all delegates and alternates pledged to him or her and who have been selected pursuant to this section. Each caucus shall be chaired by the chairperson of the appropriate steering committee.

The delegation so formed shall thereafter select a chairperson of the delegation, select convention committee members, select all national committee members, and proceed with such other business as they may choose to conduct.

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

In order that the selection of the Democratic Party delegation may be accomplished in an orderly manner following the 1976 direct primary election, and in order for California's delegate selection plan to comply with the recommendations of the Democratic National Committee Compliance Review Commission, it is necessary that this act take effect immediately.

CHAPTER 206

An act to add Section 30102 to, and to repeal Section 30102 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor June 4, 1976 Filed with Secretary of State June 7, 1976]

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

SECTION 1. Section 30102 is added to the Revenue and Taxation Code, to read:

30102. The taxes imposed by this part shall not apply to the sale of cigarettes to:

(a) United States Army, Air Force, Navy, Marine Corps or Coast Guard exchanges and commissaries and Navy or Coast Guard ships' stores, or

(b) the United States Veterans Administration.

SEC. 2. This act shall remain in effect only until January 1, 1980, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1980, deletes or extends such date.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 207

An act relating to malpractice, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 4, 1976. Filed with Secretary of State June 7, 1976]

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

SECTION 1. Any insurer who issues policies of professional liability insurance to health care providers for professional negligence, as defined in Chapter 1 as amended by Chapter 2, Statutes of 1975, Second Extraordinary Session, any health care provider covered by such a policy, or any potentially aggrieved person, may bring an action in the superior court for a declaration of its, his, or her rights, duties, and obligations under Chapter 1 as amended by Chapter 2, Statutes of 1975, Second Extraordinary Session.

The court shall permit any of the following persons to intervene in the action:

(1) The Attorney General.

(2) Any other person whose appearance is determined by the court to be essential to a complete determination or settlement of any issues in the action.

The action shall be commenced in the superior court in the county in which the Attorney General is required to reside and keep his office pursuant to Section 1060 of the Government Code.

The action shall be set for trial at the earliest possible date and shall take precedence over all cases other than those in which the state is a party.

The court may make a binding declaration of the rights, duties, and obligations of the insurer, whether or not further relief is or could be claimed at the time. The declaration may be affirmative or negative

in form and effect and shall have the force and effect of a final judgment.

If the declaration is appealed, the appeal shall be given precedence in the court of appeal and Supreme Court and placed on the calendar in the order of its date of issue immediately following cases in which the state is a party.

The remedy established by this section is cumulative, and shall not be construed as restricting any remedy established for the benefit of any party to the action by any other provision of law. No declaration under this section shall preclude any party from obtaining additional relief based upon the same facts.

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

Chapter 1 as amended by Chapter 2, Statutes of 1975, Second Extraordinary Session, substantially modified the liabilities of parties and insurers regarding medical malpractice claims, and it is essential that affected parties and insurers be permitted to bring an action for declaratory relief to determine their rights, duties, and obligations.

CHAPTER 208

An act relating to public utilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 4, 1976. Filed with Secretary of State June 7, 1976.]

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

SECTION 1. The sum of seven hundred fifty thousand dollars ($750,000) is hereby appropriated from the General Fund to the Public Utilities Commission to be transferred to and in augmentation of Item 69 of the Budget Act of 1975, for the use and support of the Public Utilities Commission for the 1975–76 fiscal year beginning July 1, 1975, and ending June 30, 1976.

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

This act will provide funds to the Public Utilities Commission to exercise its jurisdiction to regulate rates, safety, and service of corporations or persons subject to its jurisdiction. The growth of the state and changing conditions attendant thereto have greatly increased the commission's activities and workload. In order that such funds be available for expenditure at the earliest possible time,

it is necessary that this act take effect immediately.

CHAPTER 209

An act to amend Section 76017 of the Government Code, relating to juror compensation.

[Approved by Governor June 4, 1976. Filed with Secretary of State June 7, 1976.]

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

SECTION 1. Section 76017 of the Government Code is amended to read:

76017. In a county of the 17th class, grand jurors and trial jurors in the superior court and municipal courts shall receive for each day's attendance in court, upon regularly called jury meetings, committee meetings, or when appointed by the foreman of a grand jury to make individual investigations, five dollars ($5) a day. In justice courts, jurors shall receive for each day's attendance five dollars ($5). Grand jurors and trial jurors shall be reimbursed for each mile actually and necessarily traveled from their residences in going to, and returning from, the places of service, at the rate prescribed for county employees, mileage to be allowed but once in any one day, during any session of the court where the jurors serve. The fees of all trial jurors in civil cases shall be paid by the litigants as other costs are paid.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act, because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 210

An act to amend Section 11251 of the Education Code, relating to school attendance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 4, 1976 Filed with Secretary of State June 7, 1976]

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

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SECTION 1. Section 11251 of the Education Code is amended to read:

11251. (a) In computing the average daily attendance of a school district, there shall be included only the attendance of pupils while engaged in educational activities required of such pupils and under the immediate supervision and control of an employee of the district who possessed a valid certification document, registered as required by law, authorizing him to render service in the capacity and during the period in which he served. For the purposes of computing the average daily attendance of high school students in a school district, attendance shall also include pupil attendance and participation in an independent study program under the coordination, evaluation, and general, but not immediate, supervision of an employee of the district who possessed a valid certification document. The nature, manner, and place of conducting any independent study program shall be determined by the school district pursuant to rules and regulations adopted by the State Board of Education and shall be an integral part of any decision pursuant to Section 10605.1 to suspend the expulsion action of the board. The school district shall ensure that the components of each individual study program for each individual pupil shall be set out in writing. A pupil enrolled in an independent study program shall not be credited with more than one day of attendance in any calendar day, and shall be enrolled in a high school program for which Section 11052 provides for the minimum schoolday. For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in approved coordinated instruction systems programs of instruction using television, computer-assisted instruction, automated audiovisual systems, programmed learning materials, and other similar teaching techniques, under the coordination and evaluation of an employee who possessed an appropriate certification document, but not requiring the immediate supervision of such employee. Approved coordinated instruction systems programs of instruction are those recommended by the governing board of the district maintaining the community college and approved by the Board of Governors of the California Community Colleges. One student contact hour is to be counted for each unit of coordinated instruction systems credit in which a student is enrolled during any census period. The state aid apportionment made by the board of governors shall not be greater than one-half the current costs of conducting approved coordinated instruction systems programs of instruction. Coordinated instruction systems programs of instruction shall be conducted by employees of the district who possess valid credentials or certification documents, who shall determine the need for immediate supervision of the programs of instruction. Such employees shall evaluate individual student progress and assign appropriate grades for students enrolled in classes taught by the coordinated instruction systems programs of instruction.

(b) For the purpose of work experience education programs in the secondary schools meeting the standards of the California State Plan for Vocational Education, "immediate supervision" of off-campus work training stations means pupil participation in on-the-job training as outlined under a training agreement, coordinated by the school district under a state-approved plan, wherein the employer and certificated school personnel share the responsibility for on-the-job supervision. The pupil-teacher ratio in any such work experience program shall not exceed 125 students per full-time equivalent certificated coordinator. A pupil enrolled in such work experience program shall not be credited with more than one day of attendance in any calendar day, and shall be a full-time student enrolled in regular classes meeting the requirements set forth in Section 11052 or 11055.

(c) For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations that conform to all apportionment attendance and course of study requirements otherwise imposed by law; provided that such courses are fully open to the enrollment and participation of the public pursuant to subdivision (2) of Section 5753; and provided further, that prerequisites for such courses shall not be established or construed so as to prevent academically qualified persons not employed by agencies in the criminal justice system from enrolling in and attending such courses.

(d) In the event that certain in-service training courses are restricted to employees of police, fire, corrections, and other criminal justice agencies, attendance for such restricted courses shall not be reported for purposes either of state apportionments or district revenue limits computed pursuant to Sections 20935 and 20937. Notwithstanding the provisions of Section 5753, a community college district which restricts enrollment in such in-service training courses may contract with any public agency to provide compensation for the cost of conducting such courses.

(e) Positive records of student admissions and daily attendance in all in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations, as described in subdivision (c), shall be maintained by each district and shall be separately reported annually to the Chancellor's office of the California Community Colleges.

(f) For the purposes of the rehabilitative schools, classes, or programs described in Section 10605.1, "immediate supervision" in such schools, classes or programs means pupil participation in such programs wherein the person to whom the pupil is required to report for training, counseling, tutoring, or other prescribed activity shares the responsibility for the supervision of the pupils in the

rehabilitative activities with certificated personnel of the district. Such programs shall be approved by the Department of Education and certified by the county superintendent of schools.

A pupil enrolled in a rehabilitative school, class, or program shall not be credited with more than one day of attendance in any calendar day.

SEC. 2. Section 11251 of the Education Code is amended to read:

11251. (a) In computing the average daily attendance of a school district, there shall be included only the attendance of pupils while engaged in educational activities required of such pupils and under the immediate supervision and control of an employee of the district who possessed a valid certification document, registered as required by law, authorizing him to render service in the capacity and during the period in which he served. For the purposes of computing the average daily attendance of students enrolled in kindergarten or any of grades 1 through 12 in a school district, attendance shall also include pupil attendance and participation in an independent study program under the coordination, evaluation, and general, but not immediate, supervision of an employee of the district who possessed a valid certification document. The nature, manner, and place of conducting any independent study program shall be determined by the school district pursuant to rules and regulations adopted by the State Board of Education and shall be an integral part of any decision pursuant to Section 10605.1 to suspend the expulsion action of the board. The school district shall ensure that the components of each individual study program for each individual pupil shall be set out in writing. A pupil enrolled in an independent study program shall not be credited with more than one day of attendance in any calendar day, and shall be enrolled in a school program for which Section 11005, 11006, or 11052 provides for the minimum schoolday. For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in approved coordinated instruction systems programs of instruction using television, computer-assisted instruction, automated audiovisual systems, programmed learning materials, and other similar teaching techniques, under the coordination and evaluation of an employee who possessed an appropriate certification document, but not requiring the immediate supervision of such employee. Approved coordinated instruction systems programs of instruction are those recommended by the governing board of the district maintaining the community college and approved by the Board of Governors of the California Community Colleges. One student contact hour is to be counted for each unit of coordinated instruction systems credit in which a student is enrolled during any census period. The state aid apportionment made by the board of governors shall not be greater than one-half the current costs of conducting approved coordinated instruction systems programs of instruction. Coordinated instruction systems programs

of instruction shall be conducted by employees of the district who possess valid credentials or certification documents, who shall determine the need for immediate supervision of the programs of instruction. Such employees shall evaluate individual student progress and assign appropriate grades for students enrolled in classes taught by the coordinated instruction systems programs of instruction.

(b) For the purpose of work experience education programs in the secondary schools meeting the standards of the California State Plan for Vocational Education, "immediate supervision" of off-campus work training stations means pupil participation in on-the-job training as outlined under a training agreement, coordinated by the school district under a state-approved plan, wherein the employer and certificated school personnel share the responsibility for on-the-job supervision. The pupil-teacher ratio in any such work experience program shall not exceed 125 students per full-time equivalent certificated coordinator. A pupil enrolled in such work experience program shall not be credited with more than one day of attendance in any calendar day, and shall be a full-time student enrolled in regular classes meeting the requirements set forth in Section 11052 or 11055.

(c) For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations that conform to all apportionment attendance and course of study requirements otherwise imposed by law; provided that such courses are fully open to the enrollment and participation of the public pursuant to subdivision (2) of Section 5753; and provided further, that prerequisites for such courses shall not be established or construed so as to prevent academically qualified persons not employed by agencies in the criminal justice system from enrolling in and attending such courses.

(d) In the event that certain in-service training courses are restricted to employees of police, fire, corrections, and other criminal justice agencies, attendance for such restricted courses shall not be reported for purposes either of state apportionments or district revenue limits computed pursuant to Sections 20935 and 20937. Notwithstanding the provisions of Section 5753, a community college district which restricts enrollment in such in-service training courses may contract with any public agency to provide compensation for the cost of conducting such courses.

(e) Positive records of student admissions and daily attendance in all in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations, as described in subdivision (c), shall be maintained by each district and shall be separately reported annually to the Chancellor's office of the California Community Colleges.

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(f) For the purposes of the rehabilitative schools, classes, or programs described in Section 10605.1, "immediate supervision" in such schools, classes or programs means pupil participation in such programs wherein the person to whom the pupil is required to report for training, counseling, tutoring, or other prescribed activity shares the responsibility for the supervision of the pupils in the rehabilitative activities with certificated personnel of the district. Such programs shall be approved by the Department of Education and certified by the county superintendent of schools.

A pupil enrolled in a rehabilitative school, class, or program shall not be credited with more than one day of attendance in any calendar day.

SEC. 3. It is the intent of the Legislature, if this bill and Senate Bill No. 1501 are both chaptered and amend Section 11251 of the Education Code, and this bill is chaptered after Senate Bill No. 1501, that Section 11251 of the Education Code, as amended by Section 1 of this act shall remain operative only until the operative date of Senate Bill No. 1501, and that on the operative date of Senate Bill No. 1501 Section 11251 of the Education Code as amended by Section 1 of this act be further amended in the form set forth in Section 2 of this act to incorporate the changes in Section 11251 proposed by Senate Bill No. 1501. Therefore, Section 2 of this act shall become operative only if Senate Bill No. 1501 is chaptered before this bill and amends Section 11251, and in such case Section 2 of this act shall become operative on the operative date of Senate Bill No. 1501.

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

In order to permit the computation of average daily attendance to be made on the same basis for the entire 1976–77 fiscal year, and so facilitate the orderly administration of the system of attendance accounting, it is necessary that this act take effect immediately.

CHAPTER 211

An act to amend Sections 14502, 14503, and 14504 of the Financial Code, relating to credit unions.

[Approved by Governor June 4, 1976. Filed with Secretary of State June 7, 1976]

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

SECTION 1. Section 14502 of the Financial Code is amended to read:

14502. No credit union shall make any loan or extension of credit without the written approval of a majority of the members of the

credit committee or of a loan officer appointed as provided in this section. The credit committee may, with the approval of the board of directors, appoint one or more loan officers who shall be authorized to approve loan applications within the limits set by the credit committee, but in no event to exceed the sum of one thousand dollars ($1,000) plus the unpledged shares of the borrower for any one loan if the paid-in and unimpaired capital and surplus of the credit union are less than five hundred thousand dollars ($500,000). Loan officers of credit unions with paid-in and unimpaired capital and surplus of five hundred thousand dollars ($500,000) or more may approve loan applications within the limits set by the credit committee but in no event to exceed the sum of five thousand dollars ($5,000) plus the unpledged shares of the borrower for any one loan. Loan officers of credit unions with paid-in and unimpaired capital and surplus of one million dollars ($1,000,000) or more may approve loan applications within the limits set by the credit committee but in no event in excess of the sum of ten thousand dollars ($10,000) plus the unpledged shares of the borrower for any one loan. Such loan officer must be a member of the credit union and may but need not be, a member of the credit committee or an officer or director of the credit union. Such loan officers shall not also have the power to approve membership applications or to approve any extension agreement or the refinancing of any delinquent loan. The credit committee shall be provided with a record of each loan approved or not approved by any loan officer within seven (7) days of such approval or disapproval.

SEC. 2. Section 14503 of the Financial Code is amended to read:

14503. The credit committee or a loan officer may approve in advance, upon their own motion or upon the application of any member, the extension of credit to any member and loans may be granted to such member within the limit of such extension of credit: however, a loan officer may not approve the extension of credit to any member in an amount greater than the unsecured loan limit of each borrower allowed by Section 14903 of this division. Where an extension of credit has been approved, applications for loans need not be approved by the credit committee or loan officer as long as the aggregate amount of such loan or loans does not exceed the limit of such extension of credit. The credit committee or loan officer shall review, from time to time, and not less frequently than once each year, all extensions of credit approved by them and any extension of credit approved for any member shall expire if such member becomes ineligible for a loan or becomes more than 90 days delinquent in his obligations to the credit union.

SEC. 3. Section 14504 of the Financial Code is amended to read:

14504. Any applicant for a loan, loans, or extension of credit may appeal from the decision of the credit committee or loan officer to the board of directors.

CHAPTER 212

An act making an appropriation for the state park system, and in this connection amending and supplementing the Budget Act of 1975 (Chapter 176, Statutes of 1975) by adding Section 2.8G thereto, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 2.8G is added to the Budget Act of 1975 (Chapter 176, Statutes of 1975), to read:

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

Sec. 2.8G. The following sum of money, or so much thereof as may be necessary, is hereby appropriated for expenditure during the 1975–76, 1976–77, and 1977–78 fiscal years. Such appropriation shall be paid out of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

CAPITAL OUTLAY

Resources

387.1G—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivision (c) of Section 5096.85 of the Public Resources Code, for expenditure during the 1975–76, 1976–77 and 1977–78 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 207,000

Schedule:

(a) Watts Towers, Simon Roddia Park, development 207,000

provided, that none of the funds which are appropriated by this item for the project set forth herein shall be available for expenditure unless and until such project is recommended by the State Park and Recreation Commission and reviewed by the Secretary of the Resources Agency.

SEC. 2. The City of Los Angeles shall transfer to the state the land and property designated as the Watts Towers, Simon Roddia Park. In consideration for such a transfer, the Department of Parks and Recreation shall improve such land and property for park purposes and enter into a contract with the City of Los Angeles,

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pursuant to Section 5007 of the Public Resources Code, providing for the exclusive control of the use of such land and property by the city for park purposes.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of this act may enable the early development of the park land provided for in this act, it is necessary that this act go into immediate effect.

SEC. 4. Sections 1 and 2 of this act shall not become operative unless and until the City of Los Angeles transfers to the state the land and property designated as the Watts Towers, Simon Roddia Park pursuant to Section 2 of this act.

CHAPTER 213

An act to amend Sections 21100 and 23112 of the Vehicle Code, relating to local regulation.

[Approved by Governor June 11, 1976 Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 21100 of the Vehicle Code is amended to read:

21100. Local authorities may adopt rules and regulations by ordinance or resolution regarding the following matters:

(a) Regulating or prohibiting processions or assemblages on the highways.

(b) Licensing and regulating the operation of vehicles for hire and drivers of passenger vehicles for hire.

(c) Regulating traffic by means of traffic officers.

(d) Regulating traffic by means of semaphores or other official traffic control devices.

(e) Regulating traffic by means of any person given temporary appointment for such duty by the local authority whenever official traffic control devices are disabled or otherwise inoperable.

(f) Regulating traffic at the site of road or street construction or maintenance by persons authorized for such duty by the local authority.

(g) Licensing and regulating the operation of tow car service.

(h) Operation of bicycles, and, as specified in Section 21114.5, electric carts by physically disabled persons, or persons 50 years of age or older, on the public sidewalks.

(i) Regulating the methods of deposit of garbage and refuse in streets and highways for collection by the local authority or by any

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person authorized by the local authority.

No person shall, however, be appointed pursuant to subdivision (e) unless and until the local authority has submitted to the commissioner or to the chief law enforcement officer exercising jurisdiction in the enforcement of traffic laws within the area in which such person is to perform such duty, for review, a proposed program of instruction for the training of a person for such duty, and unless and until the commissioner or such other chief law enforcement officer approves the proposed program. The commissioner or such other chief law enforcement officer shall approve such a proposed program if he reasonably determines that the program will provide sufficient training for persons assigned to perform the duty described in subdivision (e).

SEC. 2. Section 23112 of the Vehicle Code is amended to read:

23112. (a) No person shall throw or deposit, nor shall the registered owner or the driver, if such owner is not then present in the vehicle, aid or abet in the throwing or depositing upon any highway any bottle, can, garbage, glass, nail, offal, paper, wire, any substance likely to injure or damage traffic using the highway, or any noisome, nauseous, or offensive matter of any kind.

(b) No person shall place, deposit, or dump, or cause to be placed, deposited, or dumped, any rocks, refuse, garbage, or dirt in or upon any highway, including any portion of the right-of-way thereof, without the consent of the state or local agency having jurisdiction over the highway.

(c) Any person who violates this section shall upon conviction thereof be punished by a fine of not less than twenty-five dollars ($25). No part of such fine shall be suspended. The court may permit the fine required by this section to be paid in installments if the court determines that the defendant is unable to pay the fine in one lump sum.

CHAPTER 214

An act to amend Section 70 of, and to add Section 70.1 to, the Labor Code, relating to the Industrial Welfare Commission.

[Approved by Governor June 11, 1976 Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 70 of the Labor Code is amended to read:

70. There is in the Division of Industrial Welfare the Industrial Welfare Commission which consists of five members. The members of the commission shall be appointed by the Governor, with the consent of the Senate.

SEC. 2. Section 70.1 is added to the Labor Code, to read:

70.1. The Industrial Welfare Commission shall be composed of two nonlawyers belonging to a recognized labor organization, two representatives of employers, and one representative of the general public. The membership shall include members of both sexes.

CHAPTER 215

An act to repeal Article 3.5 (commencing with Section 11325) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Article 3.5 (commencing with Section 11325) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

CHAPTER 216

An act to amend Section 15958 of the Education Code, relating to school districts.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976]

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

SECTION 1. Section 15958 of the Education Code is amended to read:

15958. The governing board of any school district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, or periodicals in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids.

CHAPTER 217

An act to amend Section 34902 of the Government Code, relating to cities.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976]

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

SECTION 1. Section 34902 of the Government Code is amended to read:

34902. (a) If a majority of the votes cast on the proposition is for it, the office of mayor shall thereafter be an elective office, except as provided in subdivision (b). At the next succeeding general municipal election held in the city one of the offices of city councilman, to be filled at such election, shall be designated as the office of mayor, to be filled at such election. The person elected at such election as mayor shall hold office from the Tuesday succeeding his election, and until his successor is elected and qualifies.

In the case of a vacancy in the office of the mayor for any reason, the council shall fill the vacancy by appointment. If the council fails to fill it within 30 days, it shall call an election to fill the vacancy to be held on the next established election date to be held not less than 74 days thereafter. A person appointed or elected to fill a vacancy shall hold office for the unexpired term of the former incumbent.

(b) After an office of elective mayor has been established, the city council may subsequently submit to the electors the question of whether or not to eliminate the elective office of mayor, pursuant to the procedures enumerated in this article, and thereby reestablish the procedure of selection of the mayor by the city council. If a majority of the votes cast on such proposition are in favor of the elimination of the office of elective mayor, such office shall be eliminated on the expiration date of the incumbent's term, and on such date the procedure of selection of the mayor by the city council shall be reestablished.

CHAPTER 218

An act making an appropriation to the Department of Finance for emergencies, to take effect immediately.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. (a) The sum of seventy-one million forty-eight thousand six hundred dollars ($71,048,600) is appropriated from the General Fund to the Department of Finance, to be expended only for emergencies occurring within the following categories in amounts not to exceed that specified, upon written authorization of the Department of Finance:

(1) Personal property tax relief ..... not to exceed $28,250,000
(2) Homeowners' property tax relief ..... not to exceed 40,700,000

(3) Department of Conservation .....not to exceed 2,098,600, as follows:
(A) Red flag program .....not to exceed 63,600
(B) Workmen's compensation.....not to exceed 508,000
(C) Radio maintenance .....not to exceed 227,000
(D) Forest Practices Act .....not to exceed 250,000
(E) Fire protection ..... not to exceed 1,050,000

(b) As used in this section, the term "emergencies" means contingencies for which no appropriation, or insufficient appropriation, has been made by law and which in the judgment of the Director of Finance constitute cases of actual necessity.

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

CHAPTER 219

An act relating to state school building aid, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Notwithstanding the provisions of Sections 19590 and 19590.5 of the Education Code, conditional apportionments made prior to August 15, 1976, to a school district which did not have outstanding bonds exceeding 95 percent of the maximum amount of bonds authorized by law which could have been outstanding under any law on the date the conditional apportionment was made, may become final if all of the following conditions exist:

(a) The modified assessed valuation of taxable property in the district is five million seven hundred fifty thousand dollars ($5,750,000) or less.

(b) On January 1, 1976, the school district had unsold bonds, previously authorized by its electorate, in the amount of two hundred fifty thousand dollars ($250,000).

(c) The district has no other unsold bond authorizations from its electorate.

(d) The school district, after the sale of authorized but unissued bonds, falls short of having 95 percent of the maximum amount of bonds which it could have had outstanding by any law, by fifteen thousand dollars ($15,000) or less.

(e) The school district conducted an election in March of 1976 to obtain authorization from its electorate to accept, expend, and repay apportionments from the state under Chapter 10 (commencing with

Section 19551) of Division 14 of the Education Code.

This section shall remain in effect only until August 15, 1976, and as of that date is repealed.

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

In order that urgently needed school buildings provided for by this act may be constructed as soon as possible and that preliminary administrative measures be commenced upon the earliest possible date, it is necessary that this act take immediate effect.

CHAPTER 220

An act to amend Sections 17013, 29103, and 29430 of, to add Sections 29108, 29133.5, and 29138 to, to add Chapter 2 (commencing with Section 14200) to Division 9 of, to add Chapter 3 (commencing with Section 14350) to Division 9 of, to add Chapter 3.5 (commencing with Section 14400) to Division 9 of, to repeal Chapter 2 (commencing with Section 14201) of Division 9 of, to repeal Chapter 3 (commencing with Section 14400 of Division 9 of, to repeal and add Chapter 3 (commencing with Section 600) to Division 1 of, and to repeal and add Chapter 1 (commencing with Section 14000) of Division 9 of, the Elections Code, relating to elections.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Chapter 3 (commencing with Section 600) of Division 1 of the Elections Code is repealed.

SEC. 2. Chapter 3 (commencing with Section 600) is added to Division 1 of the Elections Code, to read:

CHAPTER 3. DETERMINATION OF RESIDENCY

600. The term of residence is computed by including the day on which the person's residence commenced and by excluding the day of the election.

601. The residence of a person is that place in which his habitation is fixed and to which, whenever he is absent, he has the intention of returning.

602. A person does not gain or lose residence solely by reason of his presence at or absence from a place while employed in the service of the United States or of this state, nor while engaged in navigation, nor while a student of any institution of learning, nor while kept in an almshouse, asylum or prison. This section shall not

be construed to prevent a student at an institution of learning from qualifying as an elector in the locality where he resides while attending that institution, when in fact the student has abandoned his former residence.

603. A person who leaves his home to go into another state or precinct in this state for temporary purposes merely, with the intention of returning, does not lose his residence.

604. A person does not gain a residence in any precinct into which he comes for temporary purposes merely, without the intention of making that precinct his home.

605. If a person removes to another state with the intention of making it his residence, he loses his residence in this state. However, if such a person moves 29 days or less prior to an election at which presidential electors are to be selected, he may apply for a "new resident" ballot under the provisions of Chapter 4 (commencing with Section 750) of this division.

606. If a person removes to another state as a place of permanent residence, with the intention of remaining there for an indefinite time, he loses his residence in this state, notwithstanding that he entertains an intention of returning at some future period.

607. The place where a man's family resides is his residence unless it is a place for temporary establishment for his family or for transient objects. Residence in a trailer or vehicle or at any public camp or camping ground may constitute a residence for voting purposes if the registrant complies with the other requirements of this chapter.

608. If a man has a family fixed in one place, and he does business in another, the former is his place of residence; but any man having a family, who has taken up his abode with the intention of remaining and whose family does not so reside with him, is a resident where he has so taken up his abode.

609. The residence of the husband shall not be presumed to be that of the wife, but the wife's residence shall be determined independently in accord with this article.

610. The mere intention to acquire a new residence, without the fact of removal avails nothing, neither does the fact of removal without the intention.

611. A woman resident of this state who marries a man employed temporarily in this state in the service of the United States government, may elect to retain her residency for the purpose of qualifying as an elector only, except that such residency in this state shall terminate if such woman qualifies as an elector in any other state or any territory.

SEC. 3. Chapter 1 (commencing with Section 14000) of Division 9 of the Elections Code is repealed.

SEC. 4. Chapter 1 (commencing with Section 14000) is added to Division 9 of the Elections Code, to read:

CHAPTER 1. PREELECTION PROCEDURES

14000. For purposes of this division "clerk" means county clerk, registrar of voters, city clerk, secretary of district, or any other official in charge of conducting an election.

14001. (a) On or before the first day of January of each even-numbered year, the Secretary of State and the Attorney General shall prepare a brief digest containing the substance of those provisions of this code and of other statutes which pertain to the duties of precinct officers during the casting and the canvassing of the vote. This digest shall contain in each case a reference to the section of this code or other statute, by reference to which further examination of its provisions may be made.

(b) Immediately upon the completion of the digest set forth in subdivision (a), the Secretary of State shall send a copy to each county clerk.

14002. The clerk shall provide one official ballot for each voter in the precinct, and for absentee and emergency purposes shall provide such additional number of ballots as may be necessary.

The number of party ballots to be furnished to any precinct for a primary election shall be computed from the number of voters registered in that precinct as intending to affiliate with a party, and the number of nonpartisan ballots to be furnished to any precinct shall be computed from the number of voters registered in that precinct without statement of intention to affiliate with any of the parties participating in the primary election.

14003. Before the opening of the polls at any election, the clerk shall cause to be delivered to the precinct board in each precinct in which the election is to be held, the proper number of ballots of the kinds to be used in that precinct. The ballots shall be delivered in sealed packages with marks on the outside clearly designating the precinct or polling place for which they are intended, and the number of ballots enclosed.

14004. The clerk shall prepare a receipt for each polling place, enumerating the packages and stating the date of delivery to the precinct board member. The precinct board member shall sign the receipt upon receipt of the packages. The signed receipt shall be returned to the clerk. Messengers may be employed to insure the safe and expeditious delivery of the ballots. The clerk shall fix a reasonable compensation for the services of such messengers, to be paid in the same manner as other election expenses.

14005. The clerk shall furnish to the precinct officers:

(a) Printed copies of the indexes.

(b) Necessary printed blanks for the roster, tally sheets, lists of voters, declarations and returns.

(c) Envelopes in which to enclose returns.

(d) Not less than six nor more than 12 instruction cards to each precinct for the guidance of voters in obtaining and marking their

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ballots. On each card shall be printed necessary instructions and the provisions of Sections 14231, 14232, 14241, 14244, 14248, 14249, 17001, 17004, 17005, 17009, 17010, 17011, 29001, 29103, 29108, and 29138.

(e) A digest of the election laws with any further instructions the county clerk may desire to make.

(f) An American Flag of sufficient size to adequately assist the voter in identifying the polling place. The flag is to be erected at or near the polling place on election day.

(g) A ballot container, properly marked on the outside indicating its contents.

(h) When it is necessary to supply additional ballot containers, these additional containers shall also be marked on the outside, indicating their contents.

(i) Sufficient ink pads and stamps for each booth. The stamps shall be one solid piece and shall be made so that a cross (+) may be made with either end. If ballots are to be counted by vote tabulating equipment, an adequate supply of other approved voting devices shall be furnished. All voting stamps or voting devices shall be maintained in good usable condition.

(j) When a candidate or candidates have qualified to have his or their names counted pursuant to Chapter 9 (commencing with Section 17100) of Division 10, a sufficient number of ink pens or pencils in the voting booths for the purpose of writing in on the ballot the name of such candidate or candidates.

(k) A sufficient number of cards to each polling place containing the telephone number of the office to which a voter may call to obtain information about his or her precinct location. The card shall state that the voter may call collect during polling hours.

(*l*) An identifying badge or insignia for each member of the precinct board. The member shall print his or her name and the precinct number thereon and shall wear the badge or insignia at all times in the performance of duties, so as to be readily identified as a member of the precinct board by all persons entering the polling place.

(m) Facsimile copies of the ballot containing ballot measures and ballot instructions printed in Spanish or other languages as provided in Section 14203.

(n) Sufficient copies of the notices to be posted on the indexes used at the polls. The notice shall read as follows: "This index shall not be marked in any manner except by a member of the precinct board acting pursuant to Section 14251 of the Elections Code. Any person who removes, tears, marks or otherwise defaces this index with the intent to falsify or prevent others from readily ascertaining the name, address or political affiliation of any voter, or the fact that a voter has or has not voted, is guilty of a misdemeanor."

(o) A roster of voters for each precinct in the form prescribed in Section 14005.5.

14005.5. The roster to be kept by each precinct board shall be

substantially in the following form:

Roster

of the _____ election held in the _____ precinct _____ district, County of _____, on the _____ day of _____ 19__.

Following are the voters of above precinct desiring to vote under provisions of Sections (14211, 14213, 14230, and 14237) of the Elections Code:

No.	Signature of voter	Residence of voter
1		
2		
3		
etc.		

We hereby certify that all voters whose signatures appear hereinbefore in this roster voted this day excepting the following who, after signing the roster, failed to vote or were challenged and denied the right to vote.

No	Name	No.	Name

We further certify that the number of voters who voted in this precinct at this election is _____, and that the above list of voters, less those who did not vote as enumerated, constitutes the roster of this precinct for this election.

We further certify that the total number of official ballots received, voted, rejected, spoiled and canceled, found in the ballot container and the number accounted for is as indicated on the ballot statement.

We further certify that the assisted voters list and challenge list show a complete list of all voters assisted or challenged.

Clerk	Inspector
Clerk	Judge
Clerk	Judge

All members of the precinct board shall sign this certificate.

When votes are counted at the precinct, all members of the board shall also sign the certificate of performance prescribed in Section 17013.

14006. Notwithstanding the provisions of Sections 14005 and 14005.5, the roster to be kept by each precinct board may be in a form of an index to the affidavits of registration for that precinct, in which case the index shall provide space of sufficient size to allow each voter to sign his or her name pursuant to Section 14211.

14007. All officers required by law to designate polling places shall furnish the polling places with a sufficient number of places, booths, or compartments, at or in which voters may conveniently mark their ballots, so that they may be screened from the observation of others. The number of voting booths or compartments shall be determined by the officer conducting the election.

14008. Translations of the ballot measures and ballot instructions as required by Section 14203 shall be provided by a person selected by the clerk from the list of approved translators and interpreters of the superior court of the county or from an institution accredited by the Western Association of Schools and Colleges.

SEC. 5. Chapter 2 (commencing with Section 14201) of Division 9 of the Elections Code is repealed.

SEC. 6. Chapter 2 (commencing with Section 14200) is added to the Elections Code, to read:

CHAPTER 2. PROCEDURES AT POLLS

Article 1. Election Day Preliminary Procedures

14200. The members of each precinct board shall distribute the duties devolving upon the precinct board, which are in addition to their individual duties, in such manner as they deem most advantageous.

14201. The polling places shall be arranged so that neither the ballot containers nor the voting booths or compartments shall be hidden from the view of those present.

14202. On the day of election the precinct board shall post at least one instruction card in each booth or compartment provided for the preparation of ballots, and not less than three instruction cards at other places in and about the polling place.

14203. The precinct board shall post in a conspicuous location in the polling place, at least one facsimile copy of the ballot with the ballot measures and ballot instructions printed in Spanish. Facsimile ballots shall also be printed in other languages and posted in the same manner if a significant and substantial need is found by the clerk.

In those counties which are required under the provisions of the Voting Rights Act of 1965 as extended by Public Law 94-73 to furnish ballots in other than the English language, the posting of the facsimile ballot in that particular language shall not be required.

14204. Before opening the polls the precinct board shall post in separate, convenient places at or near the polling place and of easy

access to the voters not less than two of the copies of the index to the affidavits of registration for that precinct.

In any county in which tabulating equipment is used to produce the index of registration, the copies of the index posted pursuant to this section shall be by street addresses in numerical order, unless otherwise provided by Section 460.

Article 2. Election Day Procedures

14206. The polls shall be open at 7 o'clock a.m. of the day of any election, and shall be kept open until 8 o'clock p.m. of the same day, when the polls shall be closed, except as provided in Section 14301.

14207. Before the precinct board receives any ballots, it shall proclaim aloud at the place of election that the polls are open.

14208. Voting shall commence as soon as the polls are opened and shall be continued during the time the polls remain open.

14209. Before receiving any ballots the precinct board, in the presence of any persons assembled at the polling place, shall open and exhibit and close the ballot container or containers. Thereafter, the ballot container or containers shall not be removed from the polling place or presence of the bystanders until all the ballots are counted, nor opened until after the polls are finally closed.

14210. Nothing contained in this code shall prevent a voter from using an ink pen or pencil for the purpose of writing in on the ballot the name of any candidate the voter desires.

14211. Any person desiring to vote shall announce his or her name and address in an audible tone of voice, and when one of the precinct officers finds the name in the index, the officer shall in a like manner repeat the name and address. The voter shall then write his or her name and address (or if the voter is unable to write shall have the name and address written by another person) on a roster of voters provided for that purpose, whereupon a challenge may be interposed as provided in this article.

14212. If the precinct board is unable to find a voter's name upon the index of registration and is unable to call the clerk's office on behalf of the voter, the precinct board shall furnish the voter a copy of the card containing the telephone number of the clerk and direct the voter to the nearest telephone.

The clerk shall assign a sufficient number of qualified persons in the clerk's office who shall receive and answer the telephone calls.

14213. If the surname of any woman offering to vote has been changed by reason of marriage or divorce since she has registered, she shall sign her name as it was before marriage or divorce and also her name as it is at the time she votes, indicating on the roster on the same line by brackets or other means that the two names are the name of one person.

14214. The precinct board shall provide upon request to any voter for use in the voting booth or compartment, a copy of the

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facsimile ballot containing ballot measures and instructions printed in Spanish or in other languages, as required by Section 14203, unless sample ballots and ballots for voting are already being provided in that language under the provisions of the Voting Rights Act of 1965 as amended by Public Law 94-73.

14215. At any election a majority of the members of any precinct board shall be present at the polling place at all times while the polling place is open.

14216. A person offering to vote may be orally challenged within the polling place only by a member of the precinct board upon any or all of the following grounds:

(a) That the voter is not the person whose name appears on the index.

(b) That the voter is not a resident of the precinct.

(c) That the voter is not a citizen of the United States.

(d) That the voter has voted that day.

(e) That the voter is presently on parole for the conviction of a felony, which, pursuant to Section 321.5, disqualifies the voter from voting.

On the day of the election no person, other than a member of a precinct board or other official responsible for the conduct of the election, shall challenge or question any voter concerning the voter's qualifications to vote.

If any member of a precinct board receives, by mail or otherwise, any document or list concerning the residence or other voting qualifications of any person or persons, with the express or implied suggestion, request, or demand that such person or persons be challenged, the board member shall first determine whether the document or list contains or is accompanied by evidence constituting probable cause to justify or substantiate a challenge. In any case, before making any use whatever of such a list or document, the member of the precinct board shall immediately contact the clerk, charged with the duty of conducting the election, and describe the contents of such document or list and such evidence, if any, received bearing on voting qualifications. The clerk shall advise the members of the precinct board as to the sufficiency of probable cause for instituting and substantiating the challenge and as to the law as herein provided, relating to hearings and procedures for challenges by members of the precinct board and determination thereof by a precinct board. The clerk may, if necessary, designate a deputy to receive and answer inquiries from precinct board members as herein provided.

14217. A piece of mailed matter returned undelivered by the post office shall not be accepted or used as evidence upon which to initiate a challenge as to residency by any member of the precinct board unless other evidence or testimony is also presented, nor shall such mailed matter, standing alone without other evidence or testimony, be accepted as evidence by the precinct board in

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determining a challenge.

14218. The ground for challenge set forth in subdivision (b) of Section 14216 shall not apply to any person duly registered as a voter in any precinct in California and removing from that precinct within 29 days prior to an election.

14219. If the challenge is on the ground that the person seeking to vote is not the person whose name appears on the index, a member of the precinct board shall tender the following oath: "You do swear (or affirm) that you are the person whose name is entered on the index."

14220. If the challenge is on the ground that the person seeking to vote is not a resident of the precinct, the person challenged shall be sworn to answer questions, and after having been sworn, a member of the precinct board shall ask that person: "Are you a resident of this precinct?"

If the answer to the question is "Yes," without significant qualification, no other questions shall be asked.

14221. If the challenge is on the ground that the person challenged has voted that day, a member of the precinct board shall tender to the person challenged this oath:

"You do swear (or affirm) that you have not voted this day."

14222. Challenges upon the grounds either that the person challenged is not the person whose name appears on the index or that he or she has voted that day shall be determined in favor of the person challenged, by that person taking the oath as set forth either in Section 14219 or Section 14221.

14223. Challenges of voters that they are not residents of the precinct or citizens of the United States shall be tried and determined by the precinct board at the time of the challenge.

The precinct board may, at its discretion, also request any other person present in the polling place to be sworn and answer questions whom the board believes may have knowledge or information concerning the facts of the challenge.

14224. Before administering an oath to a person regarding his or her place of residence, a member of the precinct board shall read to the person challenged, the rules prescribed by Section 14225 and Chapter 3 (commencing with Section 600) of Division 1.

14225. If any person challenged refuses to take the oaths tendered or refuses to be sworn and to answer the questions concerning the matter of residence that person shall not be allowed to vote.

14226. The precinct board in determining the place of residence of any person, shall be governed by the rules set forth in Chapter 3 (commencing with Section 600) of Division 1.

14227. Any doubt in the interpretation of the law shall be resolved in favor of the challenged voter.

14228. The precinct board shall compile a list showing:

(a) The name and address of each person challenged.

(b) The name, address, and any other identification as a voter, of each person offering information concerning any person's qualifications to vote, or testifying pursuant to Section 14223, together with the name and address and any other identification of the person about whom the information or testimony is given.

(c) The grounds of each challenge.

(d) The determination of the board upon the challenge, together with any written evidence pertaining thereto.

(e) If evidence has been presented to the board requesting challenges, such evidence shall be returned to the clerk responsible for the conduct of the election.

14229. In the event that the precinct board determines that persistent challenging of voters is resulting in a delay of voting sufficient to cause voters to forego voting because of insufficient time or for fear of unwarranted intimidation, the board shall discontinue all challenges, and so note on the roster.

14230. The precinct board shall give each voter only one ballot, as provided in Section 10200.5.

14231. Unless otherwise provided by law no person shall apply for or receive any ballot at any precinct other than that in which the voter is entitled to vote.

14232. Unless otherwise provided by law a voter shall not receive a ballot from any person other than one of the precinct officers. No person other than a precinct officer or officer authorized by law shall deliver a ballot to any voter.

14233. On receiving a ballot the voter shall forthwith retire alone to one of the booths or compartments provided, and mark the ballot.

14234. When a voter declares under oath, administered by any member of the precinct board at the time the voter appears at the polling place to vote, that the voter is then unable to mark a ballot, the voter shall receive the assistance of not more than two persons selected by the voter.

No person assisting a voter shall divulge any information regarding the marking of the ballot.

In those polling places which do not meet the requirements specified by the State Architect for accessibility by the physically handicapped, a physically handicapped person may appear outside the polling place and vote a regular ballot. Such person may vote the ballot in a place which is as near as possible to the polling place and which is accessible to the physically handicapped. A precinct board member shall take a regular ballot to such person, qualify such person to vote, and return the voted ballot to the polling place. In those precincts in which it is impractical to vote a regular ballot outside the polling place, absentee ballots shall be provided in sufficient numbers to accommodate physically handicapped persons who present themselves on election day. The absentee ballot shall be presented to and voted by a physically handicapped person in the same manner as a regular ballot may be voted by such person outside

the polling place.

14235. Any person assisting a voter in marking that voter's ballot shall subscribe and take the following oath before assisting the voter:

State of California, County of _____, _____ precinct, ss.

I, _____ having been duly
(Here insert the name of the person assisting the voter)
sworn, state that a request has been made of me by _____
(Here insert the
_____ for assistance in marking his or her ballot, and that
name of the voter)
I never will give any information concerning the marking of that ballot.

_____
(Signature of person assisting the voter)
Subscribed and sworn to before me, this _____ day of _____, 19__.

_____
(Signature of officer before whom oath is taken)

14236. The precinct officers shall keep a list of the voters who have been assisted in marking their ballots. The list of assisted voters and the affidavit provided for in Section 14235 shall be returned to the clerk and preserved with other election materials and records.

14237. All ballots, except absent voter ballots, shall be marked only with the marking device provided by law.

To prevent voters from marking their ballots with a pen or pencil, at the time of delivering a ballot to a voter, the precinct officer shall distinctly state:

1. That the voter shall mark the ballot with the device provided by law or the ballot will not be counted.

2. That the voter may write in a choice of candidate for any office but only a vote cast for a qualified write-in candidate will be counted.

14238. When marking a ballot, the voter shall use the stamp or other marking device to place a mark in the voting space provided next to the name of every candidate for whom the voter intends to vote. This mark shall be counted as a vote for that person. A vote for a candidate or person whose name is not printed on the ballot, may be cast by writing in a name for that office in the blank space left for that purpose. Only a vote cast for a qualified write-in candidate shall be counted.

14239. Where two or more candidates for the same office are to be elected, and the voter desires to vote for candidates for that office, the voter shall, by using the provided marking device, place a mark next to the names of the candidates for that office for whom the voter intends to vote, not exceeding, however, the number of candidates to be elected.

14240. When a measure is submitted to the voters, the voter shall place a mark on the ballot in the appropriate space opposite the answer the voter desires to give as to that measure. The voter, in marking the ballot, shall use the marking device provided.

14241. No voter shall place any mark upon a ballot that will make that ballot identifiable.

14242. If a voter spoils or defaces a ballot, the voter shall at once return it to the ballot clerk and receive another ballot.

14243. The precinct board shall immediately cancel, without unfolding them, all the spoiled ballots returned. The board shall write the word "spoiled" on the back of each spoiled ballot in ink or indelible pencil and return the spoiled ballots with the unused ballots.

14244. After the ballot is marked a voter shall not show it to any person in such a way as to reveal its contents.

14245. Before leaving the voting booth or compartment, the voter shall fold the ballot according to the instructions on it, so that the marks on its face are not visible and only the number on the ballot and the top margin are exposed.

14246. Having folded the ballot, the voter shall deliver it folded to a member of the precinct board, who shall then separate the slip containing the number from the ballot, hand the slip to the voter, and deposit the ballot in the ballot box in the presence of the voter.

14247. No later than the time at which the voter delivers the voted ballot, a precinct board member in charge of the index, shall write in the space opposite the name of the voter the line number designating the position of the name on the roster. In those counties using the combined index roster the voter's name shall be crossed off of the index in lieu of numbering.

14248. No person other than a member of the precinct board shall receive a voted ballot from the voter. No person may examine or solicit the voter to show his or her voted ballot.

14249. No voter shall deliver to any member of the precinct board any ballot other than the one received from the board member.

14250. Any voter who does not vote the ballot he or she has received, shall, before leaving the polling place, return it to the board member having charge of the ballots, who shall immediately cancel it. All canceled ballots shall be returned to the clerk in the same manner as spoiled ballots.

14251. At all elections, a member of the precinct board shall mark on one of the copies of the index posted at or near the polling place, the name of each person who has voted, by drawing a line through the name of the voter, with a pen or indelible pencil. The board member shall mark off the names at least once each hour, to and including 6 o'clock in the evening. In all counties not using the index roster, the board member shall draw a line under the last name signed in the roster at 6 o'clock p.m. or at the time of discontinuation

of this procedure, whichever occurs last.

14252. The precinct board shall maintain the copies of the index posted during the whole time of voting. These copies shall not be marked in any manner except by a member of the precinct board acting pursuant to Section 14251.

A member of the precinct board shall post a notice on each index which reads as follows: "This index shall not be marked in any manner except by a member of the precinct board acting pursuant to Section 14251 of the Elections Code. Any person who removes, tears, marks or otherwise defaces this index with the intent to falsify or prevent others from readily ascertaining the name, address or political affiliation of any voter, or the fact that a voter has or has not voted, is guilty of a misdemeanor."

Article 3. Closing of the Polls

14300. At any election, all members of the precinct board shall be present at the closing of the polls.

14301. When the polls are closed, the precinct board shall proclaim that fact aloud at the place of election. After the proclamation no ballot shall be received. However, if at the hour of closing there are any other voters in the polling place, or in line at the door, who are qualified to vote and have not been able to do so since appearing, the polls shall be kept open a sufficient time to enable them to vote.

14302. Any one who arrives at the polling place after the time provided for closing the polls shall not be entitled to vote, even though the polls are open when the voter arrives.

14303. Immediately upon the closing of the polls and before any ballot is taken from any of the ballot containers the precinct board member shall, in the presence of all persons in the room who may desire to observe them, proceed to deface every unused ballot by drawing across its face, in ink or indelible pencil, two lines which shall cross each other, the cross to be more than three inches square. The precinct board member shall thereupon, immediately and before any ballots are taken from any ballot container place all defaced ballots within an envelope or other receptacle provided for that purpose.

14304. In lieu of the procedure outlined in Section 14303 the unused ballots may be defaced by tearing or cutting in such a manner that it is apparent that the ballot has been intentionally destroyed to prevent its use. If the alternate method of destruction is used, it will be done in such a manner that the serial number of the ballots is retained for the purposes of reconciliation.

14305. The members of the precinct board shall account for the ballots delivered to them by returning a sufficient number of unused ballots to make up, when added to the number of official ballots cast and the number of spoiled ballots returned, the number of ballots

given to them. The officers receiving returned ballots shall compel such an accounting.

The precinct board shall complete the roster as required in Section 14005, and shall also complete and sign the certificate of performance prescribed in Section 17013, if that section applies.

14306. Immediately upon the arrival of the hour when the polls are required by law to be closed on election day, the clerk conducting the election, shall openly, in the clerk's main office, in the presence of any persons who are present to observe, proceed to destroy every unused ballot remaining in the control of the clerk. The clerk shall forthwith make and file an affidavit, in writing, as to the number of ballots destroyed.

SEC. 7. Chapter 3 (commencing with Section 14400) of Division 9 of the Elections Code is repealed.

SEC. 8. Chapter 3 (commencing with Section 14350) is added to Division 9 of the Elections Code, to read:

CHAPTER 3. PRIVILEGES OF VOTERS

14350. If a voter does not have sufficient time outside of working hours to vote at a statewide election, the voter may, without loss of pay, take off enough working time which when added to the voting time available outside of working hours will enable the voter to vote.

No more than two hours of the time taken off for voting shall be without loss of pay. The time off for voting shall be only at the beginning or end of the regular working shift, whichever allows the most free time for voting and the least time off from the regular working shift, unless otherwise mutually agreed.

If the employee on the third working day prior to the day of election, knows or has reason to believe that time off will be necessary to be able to vote on election day, the employee shall give the employer at least two working days' notice that time off for voting is desired, in accordance with the provisions of this section.

14351. Not less than 10 days before every statewide election, every employer shall keep posted conspicuously at the place of work, if practicable, or elsewise where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14350.

14352. The provisions of Sections 14350 and 14351 shall apply to all public agencies and the employees thereof, as well as to employers and employees in private industry.

14353. Except for a felony, every voter is privileged from arrest while at, or while going to and returning from, his or her polling place on any election day.

14354. Except in time of war or public danger, no voter is obliged to perform militia duty on any election day.

SEC. 9. Chapter 3.5 (commencing with Section 14400) is added to Division 9 of the Elections Code, to read:

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CHAPTER 3.5. REGULATION AT THE POLLS

14400. Only voters engaged in receiving, preparing, or depositing their ballots and persons authorized by the precinct board to keep order and enforce the law may be permitted to be within the voting booth area before the closing of the polls.

14401. Only members of the precinct board and persons while signing their names on the roster, shall be permitted during the hours within which voting is in progress, to sit at the desk or table used by the precinct board.

Any person may inspect the roster while voting is in progress and while votes are being counted. However, this shall not be done at a time or in a manner which will impede, interfere or interrupt the normal process of voting.

14402. Voting booths or compartments shall not be occupied by more than one person at a time, unless the voter is eligible under the assisted-voter provisions. Voters shall not remain in or occupy the booths or compartments longer than is necessary to mark their ballots, which shall not exceed 10 minutes; provided, however, that where no other voter would be inconvenienced, a longer period shall be allowed.

14403. Members of the precinct board shall not deposit in the ballot container any ballot from which the slip containing the number of the ballot has not been removed by a member of the precinct board and handed to the voter. This provision does not apply to voting by absent voter ballot.

14404. A place where any alcoholic beverage is sold or dispensed shall not be used as a polling place. A polling place shall not be connected by a door, window or other opening with any place where any alcoholic beverage is sold or dispensed.

14405. Any member of the precinct board when using a language other than English at the polls shall communicate with voters in such language only as he or she would be lawfully permitted to communicate in English under the code and shall be subject to like penalty for any illegal communication as if it had occurred in English.

SEC. 10. Section 17013 of the Elections Code is amended to read:

17013. The precinct board shall complete, sign, and return to the clerk all furnished forms requiring its signatures.

When votes are counted at the precinct, all members of the precinct board, upon the completion of their duties, shall sign the following certificate of performance, which shall be substantially in the following form:

Certificate of Performance

for _____ precinct, for the _____ election, held on the _____ day of _____, 19__.

We hereby certify that the total number of votes received by each

candidate for each office and the total number of votes cast for and against each measure is as indicated on the tally sheets.

We further certify that the results of votes cast forms posted outside the polling place and transmitted to the county clerk show the total number of votes received by each candidate for each office and the total number of votes cast for and against each measure is as indicated.

Inspector	Clerk
Assistant Inspector	Clerk
Judge	Clerk
Judge	Clerk

SEC. 11. Section 29103 of the Elections Code is amended to read:

29103. Every person is punishable by imprisonment in the state prison for not less than two nor more than seven years who:

(a) Aids in changing or destroying any poll list or official ballot.

(b) Aids in wrongfully placing any ballots in the ballot box or in taking any therefrom.

(c) Adds or attempts to add any ballots to those legally polled at any election by fraudulently putting them into the ballot box, either before or after the ballots therein have been counted.

(d) Adds to or mixes with, or attempts to add to or mix with, the ballots polled, any other ballots, while they are being counted or canvassed or at any other time, with intent to change the result of the election, or allows another to do so, when in his power to prevent it.

(e) Carries away or destroys, attempts to carry away or destroy, or knowingly allows another to carry away or destroy, any poll list, ballot box, or ballots lawfully polled or who willfully detains, mutilates, or destroys any election returns.

(f) Remove any ballot from any polling place before the completion of the ballot count.

(g) Ask another at the polls for whom the voter intends to vote.

(h) Discloses the name of any candidate which a precinct board member has discovered to have been voted for by a voter. The provision of this subdivision shall only apply to precinct board members.

SEC. 12. Section 29108 is added to the Elections Code, to read:

29108. (a) No person shall during an election remove or destroy any of the supplies or other conveniences placed in the voting booths or compartments for the purpose of enabling the voter to prepare his ballot.

(b) No person shall during an election remove, tear down, or

deface the cards printed for the instruction of voters.

(c) No person shall remove, tear, mark or otherwise deface any voter index with the intent to falsify or prevent others from readily ascertaining the name, address or political affiliation of any voter, or the fact that a voter has or has not voted.

Any person who violates any of the provisions of this section is guilty of a misdemeanor.

SEC. 13. Section 29133.5 is added to the Elections Code, to read:

29133.5. Every member of a precinct board is guilty of a misdemeanor who, prior to putting the ballot of a voter in the ballot box, does any of the following:

(a) Attempts to find out any name on the ballot.

(b) Opens or suffers to be opened or examined the folded ballot of any voter which has been handed in.

(c) Makes or places any mark or device on any folded ballot with a view to ascertaining the name of any person for whom the voter has voted.

SEC. 14. Section 29138 is added to the Elections Code, to read:

29138. (a) No person, within 100 feet of a polling place, shall solicit a vote or speak to a voter on the subject of marking his ballot.

(b) No person, in or within 100 feet of a polling place, shall place a sign relating to voters' qualifications or speak to a voter on the subject of his qualifications except as provided in Section 14216.

(c) No person, including an election officer, shall do any electioneering, on election day within 100 feet of any polling place.

As used in this section, "100 feet of a polling place" shall mean a distance 100 feet from the point on the property line closest to the entrance of the polling place.

Any person who violates any of the provisions of this section is guilty of a misdemeanor.

SEC. 15. Section 29430 of the Elections Code is amended to read:

29430. Every person is punishable by imprisonment in the state prison for not less than one nor more than two years who:

(a) Not being entitled to vote at an election, fraudulently attempts to vote or votes at that election.

(b) Being entitled to vote, attempts to vote more than once at the same election.

(c) Personates or attempts to personate a voter.

(d) Knowingly hands in two or more ballots folded together or votes more than once at any one election.

CHAPTER 221

An act to add Section 6520.6 to the Health and Safety Code, relating to sanitary districts.

[Approved by Governor June 11, 1976 Filed with Secretary of State June 14, 1976]

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

SECTION 1. Section 6520.6 is added to the Health and Safety Code, to read:

6520.6. The district board may, by resolution, abandon action for the collection of any district tax assessment, connection charge, service charge, penalty, cost, fee, assessment, fine, or other money owed the district under this part or pursuant to any other provision of law which the district board determines is in an amount too small to justify the cost of collection. Such a resolution shall discharge all district officers and employees, and any other public officer or employee charged with the collection thereof, from further accountability with respect to collection of the amount owed. However, the resolution shall not extinguish the claim nor constitute a release of any person from liability for the payment of any amounts which are due and owing.

The addition of this section does not constitute a change in, but is declaratory of, the preexisting law.

CHAPTER 222

An act to amend Section 17533.8 of the Business and Professions Code, relating to sales.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 17533.8 of the Business and Professions Code is amended to read:

17533.8. It is unlawful for any person to offer, by mail, by telephone or in person, a prize or gift, with the intent to offer a sales presentation, without disclosing at the time of the offer of the prize or gift, in a clear and unequivocal manner, the intent to offer such sales presentation.

CHAPTER 223

An act to amend Sections 34871 and 34872 of the Government Code, relating to city elections.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 34871 of the Government Code is amended to read:

34871. At any municipal election, or special election held for that purpose, the legislative body may submit to the electors an ordinance providing for the election of members of the legislative body:

(a) By districts in five, seven, or nine districts; or

(b) From districts in five, seven, or nine districts; or

(c) By districts in four, six, or eight districts, with an elective mayor pursuant to Article 5 (commencing with Section 34900); or

(d) From districts in four, six, or eight districts, with an elective mayor pursuant to Article 5 (commencing with Section 34900).

The term "by districts" as used in this article shall mean election of members of the legislative body by voters of the district alone. The term "from districts" shall mean election of members of the legislative body who are residents of the district from which they are elected by the voters of the entire city. "Geographical area making up the district" shall in the case of elections by district mean the district, and in the case of elections from districts shall mean the entire city except with respect to the residence requirements imposed by Section 34882.

SEC. 2. Section 34872 of the Government Code is amended to read:

34872. The ordinance shall state the number of legislative districts, describe the boundaries of each, number them, and state whether members of the legislative body shall be elected by districts or from districts, or by or from districts except for an elective mayor.

CHAPTER 224

An act to amend Sections 11704, and 12301 of, to add Sections 11707 and 11709 to, to repeal Sections 11707 and 12302 of, to add Chapter 3.5 (commencing with Section 29300) to Division 15 of, to repeal Chapter 3 (commencing with Section 12000) of Division 8 of, to amend and renumber the heading of Chapter 4 (commencing with Section 12200) of Division 8 of, and to amend and renumber the heading of Chapter 5 (commencing with Section 12300) of Division 8 of, the Elections Code, relating to elections.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 11704 of the Elections Code is amended to read:

11704. Notwithstanding any provision of Section 11703, in the case of any postcard published and circulated by or in behalf of any committee or organization using as a part of its name the name of qualified political party or derivative thereof, which postcard is not folded and consists of only two surfaces, on one or both of which surfaces appear a statement or words as described in Section 11703 with reference to a candidate or group of candidates in the direct primary election, the requirements of Section 11703 shall be satisfied if there is printed on both surfaces thereof the words "published by", followed by the name of the committee or organization printed in not less than 10-point boldface type, followed by the words ", an unofficial political group" printed in not less than 10-point boldface type, provided that this section shall not be construed so as to modify the requirements of Section 11707, and further provided that this section shall not apply to any matter which bears the word "official" followed by the name of the party or derivative thereof, or the words "officially endorsed", or to any matter which violates the provisions of Section 11702.

SEC. 2. Section 11707 of the Elections Code is repealed.

SEC. 3. Section 11707 is added to the Elections Code, to read:

11707. No candidate or committee in his behalf shall represent in connection with an election campaign, either orally or in campaign material, that the candidate has the support of a committee or organization which includes as part of its name the name or any variation upon the name of a qualified political party with which the candidate is not affiliated, together with the words "county committee," "central committee," "county," or any other term that might tend to mislead the voters into believing that the candidate has the support of that party's county central committee or state central committee, when that is not the case.

This section shall not be construed to prevent a candidate or committee from representing that the candidate has the support of a committee or group of voters affiliated with another political party, which committee or group is identified by the name of that party, where the name of the committee or group also includes the name of the candidate.

Any member of a county central committee or state central committee may commence an action in the superior court to enjoin misrepresentation by a candidate or committee in his behalf, in the manner prohibited by this section, to the effect that the candidate has the support of the state or county central committee involved.

SEC. 4. Section 11709 is added to the Elections Code, to read:

11709. (a) Every simulated ballot or simulated sample ballot shall bear on each surface or page thereof, in type or lettering at least half as large as the type or lettering of such statement or words or in 10-point roman type, whichever is larger, in a printed or drawn

box and set apart from any other printed matter, the following statement:

NOTICE TO VOTERS

(Required by Law)

This is not an official ballot or an official sample ballot prepared by the county clerk, registrar of voters, or the Secretary of State.

This is an unofficial, marked ballot prepared by _____ (insert name and address of the person or organization responsible for preparation thereof).

Nothing in this section shall be construed to require any such notice in any editorial or other statement appearing in a regularly published newspaper or magazine other than a paid political advertisement.

(b) No such simulated ballot or simulated sample ballot shall bear any official seal or the insignia of any public entity, nor shall any such seal or insignia appear upon the envelope in which it is mailed or otherwise delivered.

(c) The superior court, in any case brought before it by any registered voter, may issue a temporary or permanent restraining order or injunction against the publication, printing, circulation, posting, or distribution of any matter in violation of this section, and all cases of this nature shall be in a preferred position for purposes of trial and appeal, so as to assure the speedy disposition thereof.

SEC. 5. Chapter 3 (commencing with Section 12000) of Division 8 of the Elections Code is repealed.

SEC. 6. The heading of Chapter 4 (commencing with Section 12200) of Division 8 of the Elections Code is amended and renumbered to read:

CHAPTER 3. POLITICAL CORPORATIONS

SEC. 7. The heading of Chapter 5 (commencing with Section 12300) of Division 8 of the Elections Code is amended and renumbered to read:

CHAPTER 4. CAMPAIGN FUNDS

SEC. 8. Section 12301 of the Elections Code is amended to read:

12301. It is unlawful for any person which includes in any part of its name the name of any political party which was qualified to participate in the last preceding primary election, to directly or indirectly solicit funds for any purpose whatsoever upon the representation either express or implied that the funds are being solicited for the use of that political party unless that person shall

have previously obtained the written consent of one of the following: a member of the national committee from California or the majority of the members of the national committee if there are more than two national committee members from California, chairman of the state central committee, executive committee of the state central committee, or executive committee of the county central committee of the party whose name is being used in the county in which the solicitation is to be made. If the county central committee of the party in that county does not have an executive committee, the written consent of the chairman and secretary of that county central committee is sufficient.

All persons soliciting funds in accordance with this section shall be furnished with adequate credentials bearing the name of the solicitor and a copy of the written consent which bears the signature of the person authorizing the solicitation.

SEC. 9. Section 12302 of the Elections Code is repealed.

SEC. 10. Chapter 3.5 (commencing with Section 29300) is added to Division 15 of the Elections Code, to read:

CHAPTER 3.5. ELECTION CAMPAIGNS

Article 1. Felonies

29300. A person shall not directly or through any other person receive, agree, or contract for, before or during an election, any money, gift, loan, or other valuable consideration, office, place, or employment for himself or any other person for either:

(a) Voting or agreeing to vote.

(b) Coming or agreeing to come to the polls.

(c) Refraining or agreeing to refrain from voting.

(d) Voting or agreeing to vote for any particular person.

(e) Refraining or agreeing to refrain from voting for any particular person.

29301. A person shall not directly or through any other person receive any money or other valuable thing, during or after an election, because he or any other person:

(a) Voted or refrained from voting for any particular person.

(b) Came to the polls or remained away from the polls.

(c) Induced any other person to:

(1) Vote or refrain from voting.

(2) Vote or refrain from voting for any particular person.

(3) Come to or remain away from the polls.

29302. A person shall not directly or through any other person receive any money or other valuable thing, before, during, or after an election, because he or any other person:

(a) Voted to secure the election or indorsement of any other person as the nominee or candidate of any convention, organized assemblage of delegates, or other body representing, or claiming to

represent, a political party or principle, or any club, society, or association.

(b) Aided in securing the selection or indorsement of any other person as a nominee or candidate as provided in subdivision (a).

29303. A person shall not directly or through any other person pay, lend, or contribute, or offer or promise to pay, lend, or contribute, any money or other valuable consideration to or for any voter or to or for any other person to:

(a) Induce the voter to:

(1) Vote or refrain from voting at any election.

(2) Vote or refrain from voting at an election for any particular person.

(3) Come to the polls at an election.

(4) Remain away from the polls at an election.

(b) Reward the voter for having:

(1) Voted.

(2) Refrained from voting.

(3) Voted for any particular person.

(4) Refrained from voting for any particular person.

(5) Come to the polls at an election.

(6) Remained away from the polls at an election.

29304. A person shall not directly or through another person give, offer, or promise any office, place, or employment, or promise to procure or endeavor to procure any office, place, or employment to or for any voter, or to or for any other person, in order to induce that voter at any election to:

(a) Vote.

(b) Refrain from voting.

(c) Vote for any particular person.

(d) Refrain from voting for any particular person.

29305. A person shall not directly or through any other person make any gift, loan, promise, offer, procurement, or agreement to, for, or with any person, in order to induce that person to procure or endeavor to procure the election of any person or the vote of any voter at any election.

29306. A person shall not directly or through any other person procure, engage, promise, or endeavor to procure, in consequence of any gift, loan, offer, promise, procurement, or agreement, the election of any person or the vote of any voter at an election.

29307. A person shall not directly or through any other person advance or pay, or cause to be paid, any money or other valuable thing to or for the use of any other person, with the intent that it, or any part thereof, shall be used in bribery at any election; or knowingly pay or cause to be paid any money or other valuable thing to any person in discharge or repayment of any money, wholly or in part, expended in bribery at any election.

29308. A person shall not directly or through any other person advance or pay, or cause to be paid, any money or other valuable

thing to or for the use of any other person, with the intent that it, or any part thereof, will be used for boarding, lodging, or maintaining a person at any place or domicile in any election precinct, ward, or district, with intent to secure the vote of that person or to induce that person to vote for any particular person.

29309. A person shall not directly or through any other person advance or pay, or cause to be paid, any money or other valuable thing to or for the use of any other person, with the intent that it, or any part thereof, shall be used to aid or assist any person to evade arrest, who is charged with the commission of a felony against the elective franchise.

29310. A person shall not directly or through any other person advance or pay, or cause to be paid, any money or other valuable thing to or for the use of any other person in consideration of:

(a) Being selected or indorsed as the candidate of any convention, organized assemblage of delegates, or other body representing, or claiming to represent, a political party or principle, or any club, society, or association, for a public office.

(b) The selection or indorsement of any other person as a candidate for a public office.

(c) Any member of a convention, club, society, or association having voted to select or indorse any person as a candidate for a public office.

29311. A person shall not directly or through any other person advance or pay, or cause to be paid, any money or other valuable thing to or for the use of any other person, in consideration of a person withdrawing as a candidate for a public office.

29312. Every person who commits any of the offenses mentioned in this article is punishable by imprisonment in the state prison for not less than one nor more than seven years.

29313. The provisions of this article apply to all elections, including primary elections.

Article 2. Misdemeanors

29350. Every person is guilty of a misdemeanor who, with the intent to promote the election of himself or any other person, furnishes or engages to pay or deliver any money or property for the purpose of:

(a) Procuring the attendance of voters at the polls.

(b) Compensating any person for procuring the attendance of voters at the polls, except for the conveyance of voters to or from the polls.

29351. Every person is guilty of a misdemeanor who, with intent to promote the election of himself or any other person, furnishes or engages to pay or deliver any money or property for any purpose intended to promote the election of any candidate, except for the expenses of holding and conducting public meetings for the

discussion of public questions and of printing and circulating ballots, handbills, and other papers previous to an election.

29352. Any elective state officer who is authorized by law to issue licenses or who is a member of any board or agency authorized to issue licenses, or any person seeking election to such office, board or agency, or any appointee or employee of such office, board or agency, who directly or indirectly solicits, receives or agrees to receive any money or other thing of value, or any promise thereof, from any licensee named in, or any holder of, any license issued by such officer, board or agency, or from any agent of such licensee or license holder for any political campaign of any person seeking election or reelection to the office, board or agency authorized to issue such license, is guilty of a misdemeanor.

29353. Any licensee named in, or any holder of, any license issued by any officer, board or agency of the state, who directly or indirectly, either by himself or through another, gives, offers, or promises to give any money or other thing of value to any person, corporation or association for any political campaign of any person seeking election or reelection to the office, board or agency authorized to issue such license is guilty of a misdemeanor.

29354. Every person is guilty of a misdemeanor who being a candidate at any election offers or agrees to appoint or procure the appointment of any particular person to office, as an inducement or consideration to any person to vote for, procure, or aid in procuring the election of that candidate.

29355. Every person is guilty of a misdemeanor who, not being a candidate, communicates any offer made in violation of Section 29354 to any person with intent to induce him to vote for or to procure or aid in procuring the election of the candidate making the offer.

29356. Every person is guilty of a misdemeanor who, by threats, intimidations, or unlawful violence, willfully hinders or prevents electors from assembling in public meetings for the consideration of public questions.

29357. Every person is guilty of a misdemeanor who writes or causes to be written, printed, posted, or distributed any circular, pamphlet, letter, or poster which is designed to injure or defeat any candidate for nomination or election to any public office by reflecting upon his personal character or political action, unless there appears upon the circular, pamphlet, letter, or poster, in a conspicuous place, the name and address of the printer and either:

(a) The name and address of the chairman and secretary or the names and addresses of at least two officers of the political or other organization issuing it; or

(b) The name and residence address, with the street and number, if any, of some voter of this state, who is responsible for it.

29358. Any circular, pamphlet, letter, or poster issued or distributed in violation of Section 29357 is conclusively presumed not

to be a privileged communication within the meaning of Section 17 of the Civil Code.

29359. Every person, other than a public officer in the performance of official duty, is guilty of a misdemeanor who writes or causes to be written, printed, posted, or distributed any circular, pamphlet, letter, or poster which is designed to promote either the passage or defeat of a measure appearing on the ballot at any election, state or local, unless there appears upon the circular, pamphlet, letter, or poster, in a conspicuous place, either:

(a) The names and residence addresses of the chairman and secretary or the names and residence addresses of at least two officers of the organization issuing it, if issued by an organization; or

(b) The name and residence address, with the street and number, if any, of any individual responsible for it, if issued by an individual or individuals.

This section shall not apply to windshield stickers or strips designed for attachment to the bumpers of automobiles or to official ballot pamphlets or other official documents containing ballot arguments submitted pursuant to Division 4 (commencing at Section 3500) of this code.

29360. Every person is guilty of a misdemeanor who, either individually or as an officer or member of any committee or association, solicits or demands of any candidate for the Legislature, supervisor, school director, or for any legislative body that he vote for or against any particular bill or measure which may come before the body to which he may be elected. Every candidate for any of the offices named is guilty of a misdemeanor who signs or gives any pledge that he will vote for or against any particular bill or measure that may be brought before the body to which he may be elected.

The provisions of this section do not apply to any pledge or promise that a candidate may give to a convention by which he may be nominated for any of the offices named or to those who sign a certificate for his nomination.

29361. No person, with intent to mislead the electors in connection with his campaign for nomination or election to a public office or in connection with the campaign of another person for nomination or election to a public office, shall do either of the following acts:

(a) Assume, pretend, or imply, by his statements or conduct, that he is the incumbent of a public office when that is not the case.

(b) Assume, pretend, or imply, by his statements or conduct, that he is or has been acting in the capacity of a public officer when that is not the case.

Any violation of this section may be enjoined in a civil action brought by the incumbent of the public office involved.

29362. Every candidate for public office is guilty of a misdemeanor who, with intent to mislead the electors in connection with his campaign for nomination or election to that office,

represents by his own statements or conduct that he is the incumbent of the office when such is not the case. Any violation of this section may be enjoined in a civil action brought by the person who is in fact the incumbent of the office at the time the violation occurs.

29363. Any candidate convicted under the provisions of Section 29360 or Chapter 1 (commencing with Section 11500) of Division 8 so far as that chapter applies to primary elections is disqualified from holding the office for which he was a candidate at the time of the violation.

29364. Every bill, placard, poster, pamphlet or other printed matter having reference to an election or to any candidate shall bear upon its face the name and address of the printer and publisher.

No payment therefor shall be made or allowed unless the name and address is so printed.

CHAPTER 225

An act to amend Sections 4004, 4005, and 4006 of the Government Code, relating to public works.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 4004 of the Government Code is amended to read:

4004. Prior to the commencement of the public work, the engineer shall prepare and file in his office either full, complete and accurate plans and specifications or a work authorization approved by the engineer describing the work to be performed, and an estimate of the cost thereof, except where other and adequate provision is made by law requiring the preparation and filing of such plans, specifications and estimates of cost by some other officer or in some other office.

SEC. 2. Section 4005 of the Government Code is amended to read:

4005. Within 60 days from the completion of any public work, the engineer shall prepare and file in the office of the county clerk of the county in which the public work is performed, or if the engineer maintains an office in the county where the work is performed, then in such office, or if any reclamation, irrigation or other such district maintains an office, then in the office of his own district instead of the office of the county clerk, the following information in addition to that required by Section 4004:

(a) Names of bidders with prices bid, if bids there be.

(b) Changes in adopted or approved plans and specifications or a

work authorization describing the work to be performed.

(c) That the work performed has or has not been done in accordance with such plans and specifications or work authorization.

(d) The total cost of the work, segregated so as to show the actual cost of all labor, materials, equipment, engineering or architectural services, including the services of public employees in connection with such work, and other expense. The cost shown for equipment shall include rentals paid or, if the equipment is publicly owned, a reasonable amount for depreciation and the cost of repairs thereon while so used.

SEC. 3. Section 4006 of the Government Code is amended to read:

4006. Plans, specifications, work authorizations describing work to be performed, and all other information referred to in this chapter are open to inspection and examination as a public record.

CHAPTER 226

An act to add Section 5351 to, and to repeal and add the General Provisions (commencing with Section 1) of, the Elections Code, relating to elections.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. The General Provisions (commencing with Section 1) of the Elections Code, are repealed.

SEC. 2. The General Provisions (commencing with Section 1) are added to the Elections Code, to read:

General Provisions

1. This act shall be known as the Elections Code.

2. The provisions of this code, insofar as they are substantially the same as existing statutory provisions relating to the same subject matter, shall be construed as restatements and continuations, and not as new enactments.

3. If any provision of this code or the application thereof to any person or circumstance is held invalid, the remainder of the code and the application of such provision to other persons or circumstances shall not be affected thereby.

4. Unless the provision or the context otherwise requires, these general provisions, rules of construction, and definitions shall govern the construction of this code.

5. Division, part, chapter, article, and section headings do not in any manner affect the scope, meaning, or intent of the provisions of

this code.

6. Whenever a power is granted to, or a duty is imposed upon, a public officer, the power may be exercised or the duty may be performed by a deputy of the officer or by a person authorized, pursuant to law, by the officer, unless this code expressly provides otherwise.

7. Writing includes any form of recorded message capable of comprehension by ordinary visual means. Whenever any notice, report, statement or record is required or authorized by this code, it shall be made in writing in the English language unless it is expressly provided otherwise.

8. "Section" means a section of this code unless some other statute is specifically mentioned.

9. As used in this code, the present tense includes the past and future tenses, and the future the present; the masculine gender includes the feminine; and the singular includes the plural, and the plural, the singular.

10. "County" and "city" both include "city and county."

11. "Shall" is mandatory and "may" is permissive.

12. "Oath" includes affirmation.

13. "County clerk" means "registrar of voters," in those counties in which the latter office has been established. In those counties in which the office of "registrar of voters" has not been established the "county clerk" may also be known as "ex officio registrar of voters."

14. "Clerk" means county clerk, registrar of voters, city clerk, or other officer or board charged with the duty of conducting any election.

15. "Elections official" means a clerk or any person who is charged with the duty of conducting an election.

16. "Register" means the affidavits of registration, prepared and bound by the county clerk.

17. "Elector" means any person who is a United States citizen 18 years of age or older and a resident of an election precinct at least 29 days prior to an election.

18. "Voter" means any elector who is registered under the provisions of this code.

19. "Election" means any election including a primary which is provided for under the provisions of this code.

20. "General election" is the election held throughout the state on the first Tuesday after the first Monday of November in each even-numbered year.

21. "Primary election" includes all primary nominating elections provided for by this code.

22. "Presidential primary" is the primary election that is consolidated with the direct primary held in any year which is evenly divisible by the number 4, and at which delegations to national party conventions are to be chosen.

23. "Direct primary" is the primary election held on the first

Tuesday after the first Monday in June in each even-numbered year to nominate candidates to be voted for at the ensuing general election or to elect members of a party central committee.

24. "Statewide election" is an election held throughout the state.

25. "Local election" is a municipal, county, or district election.

26. "Regular election" is an election, the specific time for the holding of which is prescribed by law.

27. "Special election" is an election, the specific time for the holding of which is not prescribed by law.

28. "Judicial officer" means any Justice of the Supreme Court, justice of a court of appeal, judge of the superior court, judge of a municipal court, or judge of a justice court.

29. "Judicial office" means the office filled by any judicial officer.

30. "Judicial district" includes municipal court district and justice court district.

31. "School officer" for the purpose of this code means the Superintendent of Public Instruction and the superintendent of schools of a county.

32. "School office" for the purpose of this code means the office filled by any school officer.

33. "County officer" means any elected officer enumerated in Division 2 (commencing with Section 24000) of Title 3 of the Government Code.

34. "County office" means the office filled by any county officer.

35. "Party" means a political party or organization which has qualified for participation in any primary election.

36. "Partisan office" means an office for which a party may nominate a candidate.

37. "Nonpartisan office" means an office for which no party may nominate a candidate. Judicial, school county, and municipal offices are nonpartisan offices.

38. "Measure" means any constitutional amendment or other proposition submitted to a popular vote at any election.

39. "Precinct board" is the board appointed by the clerk to serve at a single precinct or a consolidated precinct.

"Precinct board," when used in relation to proceedings taking place after the polls have closed, likewise includes any substitutive canvassing and counting board that may have been appointed to take the place of the board theretofore serving.

40. "Election board" means the board of supervisors of each county, the city council or other governing body of a city, or any board or officer to whom similar powers and duties are given by any charter.

41. Wherever, by the Constitution or laws of this state, any initiative, referendum, recall, nominating petition or paper, or any other petition or paper, is required to be signed by voters, only a person who is a registered qualified voter at the time he signs the petition or paper is entitled to sign it. Each signer shall at the time

of signing the petition or paper include his printed name and his place of residence, giving street and number, and if no street or number exists, then a designation of his place of residence which will enable the location to be readily ascertained. A space at least one inch wide shall be left blank after each name for the use of the clerk in verifying the petition or paper.

42. Any person who is a voter may circulate an initiative, referendum or recall petition.

43. Any voter who has signed an initiative, referendum or recall petition pursuant to the Constitution or laws of this state shall have his signature withdrawn from such petition upon filing a written request therefor with the appropriate county clerk or city clerk prior to the day the petition is filed.

44. Wherever, by the Constitution or laws of this state, any petition or paper is required to be signed by voters, the circulator of the petition or paper shall indicate on the affidavit, to be filed at the same time as such petition or papers, the dates between which all signatures to the petition or paper were obtained and his or her voting address at the time of the execution of the affidavit.

45. "War voter" refers to an elector who comes within one of the following categories:

(a) Member of the armed forces of the United States or any auxiliary branch thereof.

(b) Employed by the United States and serving outside the territorial limits of the United States.

(c) Employed by the American Red Cross and serving outside the territorial limits of the United States.

(d) Employed as an officer or member of the crew of a merchant vessel documented under the laws of the United States and serving outside the territorial limits of the United States.

(e) Members of religious groups or welfare agencies assisting members of the armed forces, who are officially attached to and serving with the armed forces.

(f) Citizens of the United States temporarily residing outside the territorial limits of the United States and the District of Columbia.

(g) Spouses and dependents of the persons enumerated in this section.

Subdivisions (e) and (g) of this section shall become operative only upon the enactment of federal legislation designating the persons mentioned in those subdivisions as war voters.

46. "Territorial limits of the United States" means the 50 states of the United States and the District of Columbia.

47. Whenever by any statute of the United States, provision is made for absentee voting, an application for an absent voter's ballot made under the provisions of that law may be given the same effect as an application for an absent voter's ballot made under this code.

If, by any federal statute, provision is made for the transmission of applications for absent voter's ballots to the Secretary of State, he

shall transmit the applications to the county clerk of the county in which the applicant claims residence.

48. If by any act of Congress which is now or may become effective during the effective period of this section, provision is made for voting by war voters, that act shall control and be superior to any conflicting provisions of this code, and all state, county, municipal and district officers, who are charged with the performance of duties with reference to the election laws of this state, shall perform the duties and discharge the obligations placed upon them by that act of Congress. It is the purpose and intent of this section that full effect shall be given to ballots cast by war voters under federal statutes in order that no person shall be deprived of his vote by virtue of having cast his ballot under any federal statute rather than under the laws of this state.

49. Whenever any candidate files a declaration of candidacy, nomination paper, acceptance of nomination or any other paper evidencing an intention to be a candidate for any public office at any election in this state with either the Secretary of State or a county clerk, the candidate shall by such filing irrevocably appoint the Secretary of State or the county clerk with whom the filing is made and their successors in office the candidate's attorneys upon whom all process in any action or proceeding against him or her concerning his or her candidacy or the election laws may be served with the same effect as if the candidate had been lawfully served with process. The appointment shall continue until the day of election.

If in any action or proceeding arising out of or in connection with any matters concerning his or her candidacy or the election laws it is shown by affidavit to the satisfaction of a court or judge that personal service of process against the candidate cannot be made with the exercise of due diligence, the court or judge may make an order that the service be made upon the candidate by delivering by hand to the Secretary of State or the county clerk appointed as the candidate's attorney for service of process, or to any person employed in his or her office in the capacity of assistant or deputy, one copy of the process for the defendant to be served, together with a copy of the order authorizing such service. Service in this manner constitutes personal service upon the candidate. The Secretary of State and the county clerks of all counties shall keep a record of all process served upon them under this section, and shall record therein the time of service and their action with reference thereto.

Upon the receipt of any such service of process the Secretary of State or the county clerk shall immediately give notice of the service of the process to the candidate by forwarding the copy of the process to the candidate at the address shown on his or her declaration, nomination paper, affidavit, acceptance or other evidence of intention to be a candidate filed with that officer, by special delivery registered mail with request for return receipt.

50. In case of a disaster in which a portion or all of the voting

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records of any county are destroyed, the Governor may appoint an election commission to outline and recommend procedures to be followed in the conduct of regular or special elections. The commission shall consist of the Governor, the Secretary of State, the Attorney General, and the county clerk of each county in which destruction occurs.

51. The county clerk in each county shall compile and make available to the Legislature or any appropriate committee of the Legislature such information and statistics as may be necessary for use in connection with the reapportionment of legislative districts, including, but not limited to, precinct maps indicating the boundaries of municipalities, school districts, judicial districts, Assembly districts, senatorial districts and congressional districts, and lists showing the election returns for each precinct in the county at the last three statewide elections held prior to reapportionment.

52. No person shall be considered a legally qualified candidate for any office or party nomination for a partisan office under the laws of this state unless that person has filed a declaration of candidacy or declaration of acceptance of nomination with the proper official for the particular election or primary, or is entitled to have his or her name placed on a general election ballot by reason of having been nominated at a primary election or having been selected to fill a vacancy on the general election ballot as provided in Section 6655 of this code.

This section shall not be construed to prevent a voter from writing in the name of any person for an office at a primary or general election.

It is the intent of the Legislature, in enacting this section, to enable the Federal Communications Commission to determine who is a "legally qualified candidate" in this state for the purposes of administering the provisions of Section 315 of the Communications Act of 1934.

53. Notwithstanding any other provision of law:

(a) Any registered voter who is a candidate for any office may obtain signatures to and sign his or her own nomination papers. The candidate's signature shall be given the same effect as that of any other qualified signer.

(b) Any person engaged in obtaining signatures to the nomination papers of a candidate for any office or to any recall, initiative or referendum petition, may, if otherwise qualified to sign such papers or petition, sign such papers or petition. The signature of the person shall be given the same effect as that of any other qualified signer.

54. A plurality of the votes given at any election shall constitute a choice where not otherwise directed in the Constitution, provided that it shall be competent in all charters of cities, counties or cities and counties framed under the authority of the Constitution to provide the manner in which their respective elective officers may be elected and to prescribe a higher proportion of the vote therefor.

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55. The Secretary of State is the chief elections officer of the state, and has the powers and duties specified in Section 12172 of the Government Code.

56. Every voter shall be entitled to write the name of any candidate for any office on the ballot of any election.

57. Every person who desires to have his or her name as written on the ballots of an election counted for a particular office shall file (1) a declaration stating that he or she is a write-in candidate for the nomination for or election to the particular office and giving the title of that office and (2) the number of signatures required on the nomination paper, if any, required by Sections 6495 and 22836 for that office. The declaration and nomination papers, if any, shall be filed with the clerk, registrar of voters, or district secretary responsible for the conduct of the election no later than the 14th day prior to the election for candidates who require certification by the Secretary of State or the eighth day prior to the election for all candidates not required to be certified by the Secretary of State.

SEC. 3. Section 5351 is added to the Elections Code, to read:

5351. Notwithstanding any other provisions of this code to the contrary, whenever any ballot arguments for or against any measure submitted to the electorate for approval are authorized, such arguments may be withdrawn by their proponents at any time prior to and including the final date fixed for filing arguments.

SEC. 4. Sections 45, 46, and 47, as added to the Elections Code by Section 2 of this act, shall not become operative if Assembly Bill No. 3197 of the 1975–76 Regular Session is enacted.

CHAPTER 227

An act to amend Section 9075 of the Elections Code, relating to elections.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 9075 of the Elections Code is amended to read:

9075. The state convention shall meet in each even-numbered year at a time, date, and place selected by the chairman of the state central committee. The chairman of the state central committee shall notify the Secretary of State and all delegates as defined in Article 1 (commencing with Section 9010) of this chapter of the time, date, and meetingplace selected by him no later than 60 days immediately preceding the holding of the convention.

CHAPTER 228

An act to amend Section 5782.5 of the Public Resources Code, relating to recreation and park districts.

[Approved by Governor June 11, 1976. Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 5782.5 of the Public Resources Code is amended to read:

5782.5. The district board shall have and exercise all rights and powers, expressed or implied, necessary to carry out the purposes and intent of this chapter, including but not limited to the following powers:

(a) To sue and be sued.

(b) To take or acquire real or personal property of every kind or any interest therein, within and without the district, by grant, purchase, gift, devise, or lease; and to hold, manage, occupy, dispose of, convey, and encumber such property and create a leasehold interest in such property for the benefit of the district.

(c) To exercise the right of eminent domain, except that such right shall be exercised only within the territory of the district after approval for such exercise has been granted by resolution of the supervising authority.

(d) To appoint, employ, and pay persons who are necessary and adequately trained, to maintain and operate the property, improvements, and facilities under its control and to operate programs of public recreation. The board may employ personnel at the pleasure of the board or by contract, and may establish a merit system, retirement privileges, and provide for other employment practices either directly or through contractual arrangement with the state or other public agency or private organization.

(e) To employ counsel.

(f) To enter into and perform all necessary contracts.

(g) To borrow money, give security therefor, purchase on contract, and do and perform any and all acts and things necessary or proper to carry out the provisions of this chapter.

(h) To contract with any public entity or person for the construction by the public entity, person, or contractor, or for the financing, maintenance, or operation of recreational facilities and activities within the district; provided that the district shall nevertheless be responsible for and maintain control over such construction, financing, or operation of such recreational facilities and activities, and that the district shall receive full consideration therefor. All contracts for furnishing materials or supplies not related to new construction, alterations, maintenance, or repairs with respect to which the cost will exceed the sum of five thousand dollars

($5,000), and all projects for new construction, with respect to which the cost will exceed five thousand dollars ($5,000) for materials, supplies, and labor, shall be let to the lowest responsible bidder. All projects for alterations, maintenance, or repairs, with respect to which the cost of materials, supplies, and labor will exceed the sum of three thousand dollars ($3,000), shall be let to the lowest responsible bidder. Notice inviting bids for any project shall be published in a newspaper in the district at least one week before the time specified by the district board for receiving bids. The district board may reject all bids and readvertise, or by a four-fifths vote may elect to purchase the materials or supplies in the open market, or to construct the building, structure, or improvement by force account.

CHAPTER 229

An act to amend Section 6 of Chapter 1428 of the Statutes of 1974, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 14, 1976 Filed with Secretary of State June 14, 1976.]

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

SECTION 1. Section 6 of Chapter 1428 of the Statutes of 1974 is amended to read:

Sec. 6. The sum of four hundred eighty-five thousand dollars ($485,000) is hereby appropriated from the Transportation Planning and Research Account in the State Transportation Fund, created pursuant to Section 99305 of the Public Utilities Code, to the Department of Transportation for expenditure as follows:

(a) Two hundred fifty thousand dollars ($250,000) during the 1974–75 to 1976–77 fiscal years, inclusive, for the development and construction of the terminal facility described in Section 3 of this act. The department shall seek federal and local funds to aid in financing such construction.

(b) Sixty-five thousand dollars ($65,000) during the 1974–75 and 1975–76 fiscal years for the construction and evaluation of bus transit passenger shelters pursuant to Section 4 of this act.

(c) Seventy thousand dollars ($70,000) during the 1974–75 and 1975–76 fiscal years for a demonstration project, feasibility studies, and submittal of a report to the Legislature on providing services to bicyclists and pedestrians across state-owned major bridges pursuant to Section 5 of this act.

(d) One hundred thousand dollars ($100,000) during the 1974–75 fiscal year to seek and administer federal grants received pursuant to the Urban Mass Transportation Act of 1964 (49 U.S.C. Sec. 1601 et seq.) and to match any such grants received during that fiscal year.

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

This act relates to a construction project for which plans and specifications have already been prepared. It is very important that construction begin in 1976, and this act will facilitate such construction. Therefore, it is necessary that this act take effect immediately.

CHAPTER 230

An act to amend Sections 9999.2, 9999.4, 9999.5, and 9999.37 of the Business and Professions Code, relating to musician booking agencies.

[Became law without Governor's signature June 16, 1976.
Filed with Secretary of State June 16, 1976.]

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

SECTION 1. Section 9999.2 of the Business and Professions Code is amended to read:

9999.2. (a) "Musician booking agency" means any agency which, for a fee, advises musical artists in their professional careers and which engages in activities relating to the procurement of employment or engagements for musical artists seeking employment or engagements, or which advises musical artists in their professional careers, or which engages in activities relating to the procurement of employment or engagements for musical artists.

(b) "Musician booking agent" means any agent who, for a fee, advises musical artists in their professional careers and which engages in activities relating to the procurement of employment or engagements for musical artists seeking employment or engagements, or which advises musical artists in their professional careers, or who engages in activities relating to the procurement of employment or engagements for musical artists.

SEC. 2. Section 9999.4 of the Business and Professions Code is amended to read:

9999.4. "Musical artist" means one or more persons or group of persons who in the course of their performance plays one or more musical instruments.

SEC. 3. Section 9999.5 of the Business and Professions Code is amended to read:

9999.5. (a) No person shall engage in or carry on the occupation of a musician booking agent without first procuring a license therefor from the bureau. Such license shall be posted in a conspicuous place in the office of the licensee.

(b) Nothing in this section shall be construed to prohibit an unlicensed person from engaging in such activities if such person is a bona fide employee of a licensed person.

(c) The bureau may issue an interim license not to exceed three months in the event of a licensee's death or in the event of the sale of a licensee's business.

SEC. 4. Section 9999.37 of the Business and Professions Code is amended to read:

9999.37. The provisions of this chapter shall not apply to any person licensed as an artists' manager pursuant to Chapter 4 (commencing with Section 1700.1) of Part 6 of Division 2 of the Labor Code nor to any teacher who derives the major source of his support from teaching.

CHAPTER 231

An act to amend Section 43654 of, to add Section 39026.5 to, and to repeal Section 39177.1 of, the Health and Safety Code, and to amend Sections 4000.1, 4000.2, and 27156 of, and to add Section 24007.2 to, the Vehicle Code, relating to air pollution.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 19, 1976.]

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

SECTION 1. Section 39026.5 is added to the Health and Safety Code, to read:

39026.5. "Elderly low-income person" means an individual over 62 years of age who resides in a household wherein the combined adjusted gross income, as defined in Section 17072 of the Revenue and Taxation Code, of all members of the household, including such individual over 62 years of age, was less than seven thousand five hundred dollars ($7,500) for the previous calendar year.

SEC. 2. Section 39177.1 of the Health and Safety Code is repealed.

SEC. 3. Section 43654 of the Health and Safety Code is amended to read:

43654. (a) Except as otherwise provided in subdivision (b), every 1966 through 1970 light-duty motor vehicle, subject to registration in this state, shall be equipped with a certified device to control its exhaust emission of oxides of nitrogen upon initial registration and upon transfer of ownership and registration.

(b) Subdivision (a) shall not apply to a 1966 through 1970 light-duty motor vehicle (1) which is registered to, or subject to registration by, an elderly low-income person, (2) which was purchased from a person other than a dealer or a person holding a retail seller's permit, and (3) which is used principally by or for the

benefit of the elderly low-income person, provided that only one such vehicle shall be registered to, or subject to registration by, the elderly low-income person at any one time.

SEC. 4. Section 4000.1 of the Vehicle Code is amended to read:

4000.1. (a) Except as otherwise provided in subdivision (b) or (c), the department shall require, pursuant to law or regulation of the State Air Resources Board adopted pursuant to Section 43655 of the Health and Safety Code, upon initial registration, and upon transfer of ownership and registration, of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, a valid certificate of compliance from a licensed motor vehicle pollution control device installation and inspection station indicating that such vehicle is properly equipped with a motor vehicle pollution control device or devices which are in proper operating condition and which are in compliance with the provisions of Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code.

With respect to new vehicles having a gross vehicle weight of 6,001 pounds or less, the department shall accept a statement completed pursuant to subdivision (b) of Section 24007 in lieu of the certificate of compliance.

(b) Subdivision (a) shall not apply to a transfer of ownership and registration when:

(1) The transferor is either the parent, grandparent, child, or spouse of the transferee.

(2) The transferee is an elderly low-income person, as defined in Section 39026.5 of the Health and Safety Code, and proof satisfactory to the department is furnished (i) of the age of the transferee (ii) of the combined adjusted gross income of the household in which the transferee resides, and (iii) that the transferor is a person other than a dealer or a person holding a retail seller's permit.

(3) A vehicle registered to a sole proprietorship is transferred to such proprietor as owner.

(4) The transfer is between companies whose principal business is leasing vehicles, if there is no change in the lessee or operator of the vehicle.

(c) The State Air Resources Board, under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, may exempt designated classifications of motor vehicles from the provisions of subdivision (a) as it deems necessary, and shall notify the department of such action.

SEC. 5. Section 4000.2 of the Vehicle Code is amended to read:

4000.2. (a) Except as otherwise provided in subdivision (b), the department shall require upon registration of a motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, previously registered outside this state, a valid certificate of compliance from a licensed motor vehicle pollution control device installation and inspection station indicating

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that such vehicle is properly equipped with a motor vehicle pollution control device or devices which are in proper operating condition and which are in compliance with the provisions of that part.

(b) The provisions of subdivision (a) shall not apply to the registration of a 1966 through 1970 light-duty motor vehicle which is to be registered to an elderly low-income person, as defined in Section 39026.5 of the Health and Safety Code, and which was purchased from a person other than a dealer or a person holding a retail seller's permit. The department may require satisfactory proof of this exemption from the elderly low-income person and shall register only one such vehicle to that person.

SEC. 6. Section 24007.2 is added to the Vehicle Code, to read:

24007.2. If a dealer, or a person holding a retail seller's permit, sells to an elderly low-income person, as defined in Section 39026.5 of the Health and Safety Code, a 1966 through 1970 model year motor vehicle which is not equipped, as required pursuant to Sections 43654 and 43656 of that code, with a certified device to control its exhaust emission of oxides of nitrogen, the dealer or such person, as the case may be, shall install the required certified device on the motor vehicle without cost to the elderly low-income person.

SEC. 7. Section 27156 of the Vehicle Code is amended to read:

27156. No person shall operate or leave standing upon any highway any motor vehicle which is required to be equipped with a motor vehicle pollution control device under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code or any other certified motor vehicle pollution control device required by any other state law or any rule or regulation adopted pursuant to such law, or required to be equipped with a motor vehicle pollution control device pursuant to the National Emission Standards Act (42 U.S.C., Secs. 1857f-1 to 1857f-7, inclusive) and the standards and regulations promulgated thereunder, unless the motor vehicle is equipped with the required motor vehicle pollution control device which is correctly installed and in operating condition. No person shall disconnect, modify, or alter any such required device.

No person shall install, sell, offer for sale, or advertise any device, apparatus, or mechanism intended for use with, or as a part of, any required motor vehicle pollution control device or system which alters or modifies the original design or performance of any such motor vehicle pollution control device or system.

When the court finds that a person has willfully violated this section, he shall be fined the maximum amount that may be imposed in the case, and no part of the fine may be suspended.

"Willfully," as used in this section, has the same meaning as the meaning of that word prescribed in Section 7 of the Penal Code.

No person shall operate a vehicle after notice by a traffic officer that such vehicle is not equipped with the required certified motor vehicle pollution control device correctly installed in operating condition, except as may be necessary to return the vehicle to the

residence or place of business of the owner or driver or to a garage, until the vehicle has been properly equipped with such a device.

The notice to appear issued or complaint filed for a violation of this section shall require that the person to whom the notice to appear is issued or against whom the complaint is filed produce proof of correction pursuant to Section 40150 or proof of exemption pursuant to Section 4000.1 or 4000.2.

This section shall not apply to an alteration, modification, or modifying device, apparatus, or mechanism found by resolution of the State Air Resources Board either:

(1) To not reduce the effectiveness of any required motor vehicle pollution control device; or

(2) To result in emissions from any such modified or altered vehicle which are at levels which comply with existing state or federal standards for that model year of the vehicle being modified or converted.

The provisions of this section apply to motor vehicles of the United States or its agencies, to the extent authorized by federal law.

SEC. 8. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 232

An act to amend Section 21368 of the Vehicle Code, relating to traffic markings.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 19, 1976.]

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

SECTION 1. Section 21368 of the Vehicle Code is amended to read:

21368. Whenever a marked pedestrian crosswalk has been established in a roadway contiguous to a school building or the grounds thereof, it shall be painted or marked in yellow as shall be all the marked pedestrian crosswalks at an intersection in case any one of the crosswalks is required to be marked in yellow. Other established marked pedestrian crosswalks may be painted or marked in yellow if either (a) the nearest point of the crosswalk is not more than 600 feet from a school building or the grounds thereof, or (b) the nearest point of the crosswalk is not more than 2,800 feet from a school building or the grounds thereof, there are no intervening crosswalks other than those contiguous to the school grounds, and it

appears that the facts and circumstances require special painting or marking of the crosswalks for the protection and safety of persons attending the school. There shall be painted or marked in yellow on each side of the street in the lane or lanes leading to all yellow marked crosswalks the following words, "SLOW—SCHOOL XING," except that such words shall not be painted or marked in any lane leading to a crosswalk at an intersection controlled by stop signs, traffic signals, or yield right-of-way signs. A crosswalk shall not be painted or marked yellow at any location other than as required or permitted in this section.

CHAPTER 233

An act to amend Section 12308 of the Financial Code, relating to the Check Sellers and Cashers Law.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 19, 1976.]

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

SECTION 1. Section 12308 of the Financial Code is amended to read:

12308. No person shall charge a fee for selling or cashing a check, draft, money order, or other commercial paper serving the same purpose, in excess of 1 percent of the face amount of said check, draft, money order or other commercial paper or fifty cents ($0.50), whichever is greater, unless the check, draft, money order or other commercial paper presented for cashing is drawn on a bank located outside of the state or, in a face amount in excess of fifty dollars ($50), in which event the fee shall not exceed 1 percent of the face amount or one dollar ($1), whichever is greater.

CHAPTER 234

An act to amend Section 24405 of, and to add Section 25277 to, the Vehicle Code, relating to vehicles.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 19, 1976.]

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

SECTION 1. Section 24405 of the Vehicle Code is amended to read:

24405. (a) Not more than four lamps of the following types showing to the front of a vehicle may be lighted at any one time:

(1) Headlamps.
(2) Auxiliary driving or passing lamps.
(3) Fog lamps.
(4) Warning lamps.
(5) Spot lamps.
(6) Gaseous discharge lamps specified in Section 25258.

(b) For the purpose of this section each pair of a dual headlamp system shall be considered as one lamp.

(c) Subdivision (a) does not apply to any authorized emergency vehicle.

SEC. 2. Section 25277 is added to the Vehicle Code, to read:

25277. Any vehicle used by any police department, sheriff's office, or other governmental agency for the purpose of enforcing parking laws contained in the Vehicle Code or in a local ordinance or regulation may display flashing or revolving amber warning lights to the front, sides, or rear of the vehicle when actually engaged in the enforcement of such laws and when either necessarily stopped on a street, or when moving at a speed slower than the normal flow of traffic.

CHAPTER 235

An act to add and repeal Section 10805.1 of the Education Code, relating to interdistrict attendance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 19, 1976.]

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

SECTION 1. Section 10805.1 is added to the Education Code, to read:

10805.1. The Superintendent of Public Instruction shall apportion, from the State School Fund as a reimbursement to the district for the actual per-pupil cost to the district of attendance, on account of each pupil attending such district pursuant to an interdistrict attendance agreement, the difference, if any, between (a) the actual per-pupil cost to the district of attendance of educating pupils in the same grade level, and (b) an amount equal to the revenue limit per unit of average daily attendance of the district in which the pupil lives.

Such apportionment shall be made only if the Superintendent of Public Instruction ascertains all of the following facts:

(1) An interdistrict attendance agreement has been entered into pursuant to this article between two adjacent school districts situated in adjacent counties.

(2) Such agreement is for the purpose of educating pupils who,

because of a geographic barrier, must otherwise travel long distances, and it is in the best interests of the pupils to attend the nearest public school.

(3) The school district in which the pupil lives has determined that it is not feasible to construct a school in the area in which the pupil lives.

(4) The interdistrict attendance agreement has been approved by the county board or boards of education of the county or counties involved.

(5) The combined enrollments of the district in which the pupils live and the district of attendance did not exceed 35,000 during the 1972–73 school year.

This section shall remain in effect only until June 30, 1977, and as of that date is repealed.

SEC. 2. It is the intent of the Legislature not to renew the provisions of this act beyond June 30, 1977. The Legislature intends only to provide interim assistance to qualifying school districts until such time as an election may be held for the purpose of establishing a new unified school district and declares that by June 30, 1977, qualifying school districts will have had sufficient time to hold such elections and to resolve the problems herein given temporary relief.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of this act may be utilized beginning with the 1976–77 school and fiscal year, and thus obtain their maximum effectiveness, it is necessary that the act take effect at the earliest possible date.

CHAPTER 236

An act to repeal Sections 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19 of Chapter 152 of the Statutes of 1972, relating to state bonds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 19, 1976.]

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

SECTION 1. Section 5 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 2. Section 6 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 3. Section 7 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 4. Section 8 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 5. Section 9 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 6. Section 10 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 7. Section 11 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 8. Section 12 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 9. Section 13 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 10. Section 14 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 11. Section 15 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 12. Section 16 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 13. Section 17 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 14. Section 18 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 15. Section 19 of Chapter 152 of the Statutes of 1972 is repealed.

SEC. 16. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that a special election not be called on November 2, 1976, to decide whether bonds are to be issued under the Health Science Facilities Construction Program Bond Act of 1976, it is necessary that this act take effect on the earliest possible date.

CHAPTER 237

An act to add Title 2.6 (commencing with Section 1812.100) to Part 4 of Division 3 of the Civil Code, relating to contracts for discount buying services.

[Approved by Governor June 19, 1976 Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Title 2.6 (commencing with Section 1812.100) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 2.6. CONTRACTS FOR DISCOUNT BUYING SERVICES

1812.100. (a) The Legislature finds that there exist in connection with a substantial number of contracts for discount buying services, sales practices and business and financing practices which result in fraud, deceit, and financial hardships being perpetrated on the people of the state; that existing legal remedies are inadequate to correct these abuses; that the discount buying industry has a significant impact upon the economy and well-being of the state and its local communities; and that the provisions of this title relating to such contracts are necessary for the public welfare.

(b) The purpose of this title is to safeguard the public against fraud, deceit, and financial hardship, and to foster and encourage competition, fair dealing, and prosperity in the field of discount buying services by prohibiting or restricting false or misleading advertising, unfair contract terms, harmful financial practices, and other unfair, deceptive, destructive, unscrupulous, fraudulent and discriminatory practices by which the public has been endangered and by which the public may in the future be harmed in connection with contracts for discount buying services. This title shall be construed liberally in order to achieve the foregoing purposes.

1812.101. For the purpose of this title, the following definitions shall be used:

(a) "Discount buying organization" means any person or persons, corporation, unincorporated association, or other organization which, for a consideration, provides or purports to provide its clients or the clients or members of any other discount buying organization with the ability to purchase goods or services at discount prices, except that such organization shall not include: (1) any discount buying organization in which the total consideration paid by each client or member in any manner whatsoever for the purchase of discount buying services from such organization does not exceed a one-time fee of fifty dollars ($50) or an annual fee of twenty-five dollars ($25) to be paid on a yearly basis, or (2) any discount buying organization in which persons receive discount buying services incidentally as part of a package of services provided to or available to such individual on account of his membership in such organization, which is not organized for the profit of any person or corporation, and which does not have as one of its primary purposes or businesses the provision of discount buying services.

(b) "Contract for discount buying services" means a contract between one party (hereinafter referred to as the "buyer") who is purchasing the service for personal or family use, and a discount buying organization, whereby the buyer for a consideration receives the right to obtain goods or services from the discount buying organization, or to utilize the discount buying organization services in obtaining goods and services, at discount prices.

(c) "Discount prices" means prices which are represented to be lower on most or all offered goods or services than those generally charged for such items in the locality in which the representation is made.

This definition is not intended to affect the degree of savings which must be offered on an item or selection of items in order to truthfully and without misleading consumers represent an item, selection of items, or entire store as being "discount" or "discounted."

1812.103. Every discount buying organization shall maintain a bond issued by a surety company admitted to do business in this state. The principal sum of the bond shall be thirty thousand dollars ($30,000). A copy of such bond shall be filed with the Secretary of State.

1812.104. The bond required by Section 1812.103 shall be in favor of the State of California for the benefit of any person who is damaged by any violation of this title or by fraud or dishonesty or failure to provide the services of the discount buying organization in performance of the contract. The bond shall also be in favor of any person damaged by such practices. Any person claiming against the bond may maintain an action at law against the discount buying organization and the surety; provided, however, that the surety shall be liable only for the actual damages plus restitution and not the treble damages permitted under subdivision (a) of Section 1812.123.

The aggregate liability of the surety to all persons for all breaches of the conditions of the bond provided herein shall in no event exceed the amount of the bond.

1812.105. In lieu of furnishing the bond as required by Section 1812.103, the seller may deposit with the Secretary of State a cash deposit in a like amount. This cash deposit may be satisfied by any of the following:

(a) Certificates of deposit payable to the Secretary of State issued by banks doing business in this state and insured by the Federal Deposit Insurance Corporation;

(b) Investment certificates for share accounts assigned to the Secretary of State and issued by a savings and loan association doing business in this state and insured by the Federal Savings & Loan Insurance Corporation;

(c) Bearer bonds issued by the United States government or by this state;

(d) Cash.

Cash deposited pursuant to this section shall be maintained by the Secretary of State in an interest-bearing trust account.

1812.106. Every discount buying organization shall disclose to potential customers in writing before obtaining the signature of such potential customer on any application or contract for discount buying services: (a) the exact nature of the services it provides, specifying the general categories of goods which are available at the discount buying organization's place of business or warehouse, those

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categories of goods, if any, which must be ordered or obtained through stores to which the discount buying organization will refer the customer, and those categories of goods, if any, which must be ordered or obtained through the mail, (b) a list, current within the previous 60 days, of at least 100 items which are sold by or through the organization or available to those who contract with the organization, identified by brand name, model, and total price including any incidental charges at which the item can, at the time the list is furnished, be purchased by one who contracts with the organization. These items shall be reasonably representative as to the type of goods available. In lieu of furnishing such list, the discount buying organization may furnish a list of at least 100 items which were purchased by its members through the discount buying organization during the preceding 60 days. Such list shall identify the items by brand name, model, and total selling price including freight and other incidental charges, and shall be representative as to the type of goods sold during that period. If the maximum number of items available through a discount buying organization is less than 100 in number, it may comply with this section by furnishing a list of the total items available, identified as described above, (c) a statement of the discount buying organization's policy with respect to warranties or guarantees on goods ordered, and the policy with respect to the return of ordered goods, cancellation of orders by the buyer and refunds for cancellation or return, (d) a description of any charges, such as freight costs, seller's markup and other costs which are incidental to the purchase of goods through the discount buying organization and which are to be paid by the buyer. A disclosure of these costs in specific monetary amounts shall also be made on each order placed through the discount buying organization.

1812.107. Every contract for discount buying services shall be in writing and shall be subject to the provisions of this title. The address of the seller's discount buying facility and the residence address of the buyer shall be clearly indicated on the face of the contract. A copy of the written contract shall be given to the buyer at the time he signs the contract. All blank spaces in the contract shall be filled in before the contract is signed by the buyer. Provisions or terms written by hand on the buyer's copy shall be legible. The contract shall disclose that a bond has been obtained by the discount buying organization and that a copy of such bond is on file with the Secretary of State. The contract shall be specific as to the period of time for which the discount buying services will be available to the buyer. This time period shall not be measured by the life of the buyer.

1812.108. All contracts for discount buying services, which may be in effect between a seller or related sellers and a buyer, the terms of which overlap for any period of time, shall be considered as one contract for the purpose of this title.

1812.109. No contract for discount buying services shall require payments or financing by the buyer over a period in excess of two

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years from the date the contract was entered into.

1812.110. Every contract for discount buying services shall provide that the buying services shall become available to the buyer within seven days from the date the contract was entered into.

1812.113. No contract for discount buying services shall require or entail the execution of any note or series of notes by the buyer which, when separately negotiated, will cut off as to any third party any right of action or defense which the buyer may have against the seller.

1812.114. No right of action or defense arising out of a contract for discount buying services which the buyer has against the discount buying organization shall be cut off by assignment or transfer of the contract to any third party.

1812.116. Every contract for discount buying services shall provide that if any goods ordered by the buyer from the seller are not delivered to the buyer or available for pickup by the buyer at a location within his county of residence within six weeks from the date the buyer placed an order for such goods, then any moneys paid by the buyer for such goods in advance of delivery shall, upon the buyer's request, be fully refunded unless a predetermined delivery date has been furnished to the buyer in writing at the time he ordered such goods and the goods are delivered to the buyer or are available for pickup by that date.

1812.118. Every contract for discount buying services shall further provide that such contract may be canceled at any time within three days after the date of receipt by the buyer of a copy of the contract by written notice to the seller at the address specified in the contract. If such cancellation is made, all moneys paid pursuant to the contract shall be refunded. Every contract for discount buying services shall be subject to the cancellation privileges and comply with the requirements of Sections 1689.6 and 1689.7 of this code.

1812.119. Any contract for discount buying services which does not comply with the applicable provisions of this title shall be voidable by the buyer.

1812.120. Any untrue or misleading information, representation, notice or advertisement of the seller which has been received by or made to the buyer prior to his signing a contract for discount buying services shall render the contract for discount buying services void and unenforceable by the seller. No seller shall make or disseminate such information, representations, notices or advertisements. The phrase "untrue or misleading information, representation, notice, or advertisement" shall include any acts which constitute violations of Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code. However, neither this section nor any other section of this title shall operate to exempt discount buying services from any other provisions of law, including the penalty provisions of Section 17536 of the Business and Professions Code and Section 3370.1 of this code.

1812.121. (a) If a discount buying organization removes its place of business or, if it conducts business at more than one location, that place of business which is geographically closest to the buyer's residence indicated on the face of the contract, more than 20 miles farther from the buyer's residence than it was at the time the contract for discount buying services was entered into, the organization shall offer rescission and a pro rata refund to each buyer affected, based upon the amount of time for which the buyer has been a member of the organization.

(b) If a discount buying organization discontinues providing any category of goods or services disclosed in compliance with Section 1812.106 or otherwise represented to the buyer to be available at or before the buyer's signing of the contract for discount buying services, the organization shall offer rescission and a pro rata refund based upon the amount of time for which the buyer has been a member of the organization, to each buyer who was informed of the availability of the category of goods or services to be discontinued and signed a contract for discount buying services within the six months immediately preceding the discontinuance of said category of goods or services.

1812.122. Any transfer by a discount buying organization of its duty or obligation to provide services to buyers under its contracts for discount buying services to another individual, corporation, or other business entity, as a result of which a buyer shall have available substantially fewer goods and services, shall constitute a complete defense to an action for further enforcement of or collection on such a contract for discount buying services which may be asserted by any buyer who did not consent in writing, after a full and fair disclosure of the categories of goods and services to be provided by the new discount buying organization, to such transfer of the duty or obligation of performance, and shall entitle such a nonconsenting individual to rescind the contract and obtain a pro rata refund from the transferor.

1812.123. (a) Any buyer injured by a violation of this title may bring an action for the recovery of damages and return of all moneys paid by the buyer to the seller. Judgment shall be entered for three times the amount at which the actual damages, plus such restitution, are assessed plus reasonable attorney's fees and costs. In the event that the court finds a violation of Section 1812.120 relating to untrue or misleading statements, judgment shall be entered for one thousand dollars ($1,000) plus reasonable attorney's fees or three times the amount of actual damages plus restitution plus reasonable attorney's fees, whichever is greater.

(b) Notwithstanding any other provision of this title, any failure to comply with any provision of this title except Section 1812.120 may be corrected within 30 days after the execution of the contract by the buyer, and if so corrected, neither the seller nor his transferee shall be subject to any liability under this title except that of a suit for

actual damages plus reasonable attorney's fees and costs, provided that any correction must be concurred in, in writing, by the buyer, or the contract shall be void and unenforceable by the seller, who shall forthwith tender to the buyer a full refund. "Transferee" includes holders and assignees.

1812.125. Any person who violates any provisions of this title relating to discount buying service contracts shall be guilty of a misdemeanor.

1812.126. The prohibitions of this title are not exclusive and do not relieve the parties or the contracts subject thereto from compliance with any other applicable provision of law.

1812.127. Any waiver by the buyer of the provisions of this title shall be deemed contrary to public policy and shall be void and unenforceable.

1812.128. If any provision of this title or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the title which can be given effect without the invalid provision or application, and to this end the provisions of this title are severable.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 238

An act to add Chapter 10 (commencing with Section 54970) to Part 1 of Division 2 of Title 5 of the Government Code, relating to lists of appointive offices.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Chapter 10 (commencing with Section 54970) is added to Part 1 of Division 2 of Title 5 of the Government Code, to read:

CHAPTER 10. OPEN LISTS OF LOCAL APPOINTIVE OFFICES

54970. (a) The Legislature finds and declares that a vast and largely untapped reservoir of talent exists among the citizenry of the State of California, and that rich and varied segments of this great human resource are, all too frequently, not aware of the many opportunities which exist to participate in and serve on local

regulatory and advisory boards, commissions, and committees.

(b) The Legislature further finds and declares that the general public of this state has traditionally been denied access to information regarding vacancies which occur on such boards, commissions, and committees, thereby denying most citizens and interest groups the opportunity to nominate for consideration by the respective appointive powers persons whose particular strengths, backgrounds, experience, perspective, and talents might contribute significantly to efficient and representative policy development and administration in local government.

(c) The Legislature further finds and declares that the respective local appointive powers have been denied access to a talent resource hitherto untapped.

(d) The Legislature further finds and declares that all citizens of the state, regardless of their place of residence should have equal access to specific and current information about the many local regulating and advisory boards, commissions, and committees and equal opportunity to be informed of vacancies which shall occur thereon, so that they may pursue the opportunity to participate in and contribute to the operations of local government by serving on such boards, commissions, and committees.

(e) It is therefore the intent of the Legislature that this chapter shall apply to all cities and all counties throughout California, including charter cities and charter counties.

54971. As used in this chapter:

(a) "Legislative body" means the board of supervisors or its chairman in the case of the county, or the city council or the mayor in the case of a city.

(b) "Local agency" means a county or city, whether chartered or general law.

54972. On or before December 31 of each year, each legislative body shall prepare an appointments list of all regular and ongoing boards, commissions, and committees which are appointed by the legislative body of the local agency. The appointees' list shall contain the following information:

(a) A list of all appointive terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of appointment, the date the term expires, and the necessary qualifications for the position.

(b) A list of all boards, commissions, and committees whose members serve at the pleasure of the legislative body, and the necessary qualifications for each position.

54973. The appointments list shall be made available to members of the public for a reasonable fee which shall not exceed actual cost.

54974. Whenever an unscheduled vacancy occurs in any board, commission, or committee for which the legislative body has the appointing power, whether due to resignation, death, termination, or other causes, a special vacancy notice shall be posted in the office

of the clerk of the local agency, and in other places as directed by the legislative body within 20 days after the vacancy occurs. Final appointment to the board, commission, or committee shall not be made by the legislative body for at least 10 working days after the posting of the notice in the clerk's office.

Notwithstanding the provisions of Section 54974, the legislative body may, if it finds that an emergency exists, fill the unscheduled vacancy immediately. Persons appointed to fill such a vacancy shall only serve on an acting basis until the final appointment is made pursuant to this section.

SEC. 2. This act shall be known and may be cited as the Maddy Local Appointive List Act of 1975.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because self-financing authority is provided in this act to cover such costs in Section 54973 of the Government Code.

CHAPTER 239

An act to amend Sections 12607 and 12614 of, and to add Section 12511.1 to, the Business and Professions Code, relating to weights and measures.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976]

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

SECTION 1. Section 12511.1 is added to the Business and Professions Code, to read:

12511.1. Notwithstanding any other provisions of this division, any weight or measure, or weighing or measuring instrument, found correct or corrected by a repairman, authorized pursuant to Section 12509, may be used commercially pending reinspection by a sealer.

SEC. 2. Section 12607 of the Business and Professions Code is amended to read:

12607. Whenever a packaged commodity is offered for sale, exposed for sale or sold without a statement of net quantity appearing thereon as required by this chapter, the sealer shall in writing order the commodity off sale and require that a correct statement of net quantity be placed on the commodity before the same may be released by the sealer.

SEC. 3. Section 12614 of the Business and Professions Code is amended to read:

12614. For the purposes of this chapter:

(1) "Consumer commodity" means any commodity of any kind or class which is customarily produced or distributed for sale through

retail sales agencies or instrumentalities for consumption by individuals or use by individuals for the purpose of personal care or in the performance of services ordinarily rendered in or about the household or in connection with personal possessions;

(2) "Package" means any container or wrapping in which a commodity is enclosed for use in the delivery or display of that commodity to purchasers, but does not include;

(a) Shipping containers or outer wrappings used solely for the transportation of a commodity in bulk or in quantity to manufacturers, packers or processors;

(b) Shipping containers or outer wrappings used by retailers to ship or deliver a commodity to retail customers if such containers or wrappings contain no printed matter pertaining to a commodity.

(3) "Packaged commodity" means any commodity which is enclosed in a package.

(4) "Consumer package" means a package containing a consumer commodity.

(5) "Nonconsumer package" means any package other than a consumer package, and particularly a package intended solely for industrial or institutional use or for wholesale distribution.

(6) "Random package" means a package which is one of a lot, shipment or delivery of packages of the same consumer commodity with varying weights, that is, with no fixed weight pattern.

(7) "Label" means any written, printed or graphic matter affixed to any commodity or affixed to or appearing upon any package containing any commodity.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 240

An act to amend Sections 33704, 35221, and 35251 of, and to add Sections 33704.5, 35221.5, and 36994 to, the Food and Agricultural Code, relating to milk and dairy products, and making an appropriation therefor.

[Approved by Governor June 19, 1976 Filed with Secretary of State June 21, 1976]

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

SECTION 1. Section 33704 of the Food and Agricultural Code is amended to read:

33704. The provisions of Sections 33701, 33731, 33732, 33733, 33734, 33767, 33768, 33770, 33771, 33776, and 34593 do not apply to the manufacture of a milk drink if such product is manufactured from milk drink mix or sterilized milk drink mix, or to ice cream which is manufactured from ice cream mix, or to ice milk which is manufactured from ice milk mix, or to frozen yogurt dessert, which is manufactured from frozen yogurt mix, or to low-fat frozen yogurt dessert, which is manufactured from low-fat frozen yogurt mix, if such products are manufactured in a freezing device from which such products are served directly in a semifrozen state, without packaging of any type, for consumption on the premises in or from rooms where food is served to the public.

All such mixes so used shall be secured from a licensed manufacturer of milk products. Frozen yogurt mix and low-fat frozen yogurt mix shall be manufactured into a semifrozen state without adulteration and freezing device salvage shall not be reused as a mix.

The director may by agreement with any approved milk inspection service, authorize such service to inspect and enforce requirements of this code applicable to the establishments covered by this section. Any such agreement shall provide that the approved inspection service shall collect the applicable license fee for such establishments as provided in Section 35221.5. The fees so collected shall be retained by the approved service to cover its cost of enforcement, provided that 25 percent of the fees collected shall be remitted to the director to cover his cost of administration.

SEC. 2. Section 33704.5 is added to the Food and Agricultural Code, to read:

33704.5. (a) Any person who manufactures and directly serves frozen yogurt dessert or low-fat frozen yogurt dessert in the manner specified in Section 33704, shall post on the premises where such manufacture and service take place a sign which (1) states that frozen yogurt dessert or low-fat yogurt dessert, or both, are served on such premises and (2) lists the ingredients in the dessert or desserts served.

(b) The sign required to be posted pursuant to subdivision (a) shall be placed in a conspicuous location, such as on a menu or other sales device, and shall be printed in a legible manner that is understandable under normal conditions by the person purchasing such desserts.

SEC. 3. Section 35221 of the Food and Agricultural Code is amended to read:

35221. Except as provided in Section 35221.5, every person, except a hospital or sanitarium, that is engaged in the business of dealing in, receiving, manufacturing, freezing, or processing ice cream, ice milk, sherbet, or any similar frozen product, or that is

engaged in the business of manufacturing, freezing, or processing imitation ice cream, imitation ice milk, or any similar frozen product, shall pay the following fees:

(a) A license fee of forty dollars ($40), for the calendar year for which such license is issued.

(b) A fee for the renewal of a license of forty dollars ($40), plus three dollars ($3) for each additional 10,000 gallons or fraction of 10,000 gallons over and above 20,000 gallons which were manufactured during the preceding year, ending the 31st day of December.

SEC. 4. Section 35221.5 is added to the Food and Agricultural Code, to read:

35221.5. (a) Instead of the licensing fees provided in Section 35221, for a semifrozen (soft-serve) milk products plant which is used to manufacture frozen yogurt dessert or low-fat frozen yogurt dessert, a person shall pay a license fee of seventy-five dollars ($75) for the calendar year for which the license is issued. The fee for renewal of such license is seventy-five dollars ($75).

(b) In the case of a person who may be subject to a license fee under both Sections 35221 and 35221.5 and thus subject to the licensing provisions of both sections, the person shall pay only the higher of the two licensing fees.

SEC. 5. Section 35251 of the Food and Agricultural Code is amended to read:

35251. The director, at least once each month, shall report to the State Controller the total amount of any money which is collected under Section 35221 and such portion, as specified in Section 33704, of the fees collected pursuant to Section 35221.5. He shall, at the same time, pay into the State Treasury the entire amount of such receipts which shall be credited to the Department of Agriculture Fund and expended as provided in Section 32704.

SEC. 6. Section 36994 is added to the Food and Agricultural Code, to read:

36994. Frozen yogurt mix and low-fat frozen yogurt mix are unfrozen products which are used in the manufacture of frozen yogurt dessert and low-fat frozen yogurt dessert. They shall comply with all the requirements for frozen yogurt dessert and low-fat frozen yogurt dessert, respectively. The use of fruits and flavoring in frozen yogurt mix and low-fat frozen yogurt mix, as used pursuant to Section 33704, shall be subject to the approval of the director.

SEC. 7. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 241

An act to amend Section 20750.3 of, and to repeal Sections 20750.33 and 20750.34 of, the Government Code, relating to the Public Employees' Retirement System, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 20750.3 of the Government Code is amended to read:

20750.3. The state's contribution to the retirement fund in respect to state safety members is a sum equal to the percent of the compensation set out in the following table paid state safety members by the state during the period specified:

Period during which compensation was paid	Percent
July 1, 1976 to June 30, 1977	18.41
July 1, 1977 and thereafter	19.13

SEC. 2. Section 20750.33 of the Government Code is repealed.

SEC. 3. Section 20750.34 of the Government Code is repealed.

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

Valuation of the Public Employees' Retirement System has been completed and discloses a need to adjust the state's rate of contribution to the retirement fund with respect to state safety members effective July 1, 1976. In order that such rate adjustment may be accomplished and the integrity of the fund maintained, this act must take effect immediately.

CHAPTER 242

An act to amend Sections 11161.5 and 11161.6 of the Penal Code, relating to child abuse.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 11161.5 of the Penal Code is amended to read:

11161.5. (a) In any case in which a minor is brought to a physician and surgeon, dentist, resident, intern, podiatrist, chiropractor, or religious practitioner for diagnosis, examination or treatment, or is under his charge or care, or in any case in which a minor is observed by any registered nurse when in the employ of a public health agency, school, or school district and when no physician and surgeon, resident, or intern is present, by any superintendent, any supervisor of child welfare and attendance, or any certificated pupil personnel employee of any public or private school system or any principal of any public or private school, by any teacher of any public or private school, by any licensed day care worker, by an administrator of a public or private summer day camp or child care center, or by any social worker, and it appears to the physician and surgeon, dentist, resident, intern, podiatrist, chiropractor, religious practitioner, registered nurse, school superintendent, supervisor of child welfare and attendance, certificated pupil personnel employee, school principal, teacher, licensed day care worker, by an administrator of a public or private summer day camp or child care center or social worker from observation of the minor that the minor has physical injury or injuries which appear to have been inflicted upon him by other than accidental means by any person, that the minor has been sexually molested, or that any injury prohibited by the terms of Section 273a has been inflicted upon the minor, he shall report such fact by telephone and in writing, within 36 hours, to both the local police authority having jurisdiction and to the juvenile probation department; or, in the alternative, either to the county welfare department, or to the county health department. The report shall state, if known, the name of the minor, his whereabouts and the character and extent of the injuries or molestation.

Whenever it is brought to the attention of a director of a county welfare department or health department that a minor has physical injury or injuries which appear to have been inflicted upon him by other than accidental means by any person, that a minor has been sexually molested, or that any injury prohibited by the terms of Section 273a has been inflicted upon a minor, he shall file a report without delay with the local police authority having jurisdiction and to the juvenile probation department as provided in this section.

No person shall incur any civil or criminal liability as a result of making any report authorized by this section unless it can be proven that a false report was made and the person knew or should have known that the report was false.

Copies of all written reports received by the local police authority shall be forwarded to the Department of Justice. If the records of the Department of Justice maintained pursuant to Section 11110 reveal any reports of suspected infliction of physical injury upon, sexual molestation of, or infliction of any injury prohibited by the terms of

Section 273a upon, the same minor or any other minor in the same family by other than accidental means, or if the records reveal any arrest or conviction in other localities for a violation of Section 273a inflicted upon the same minor or any other minor in the same family, or if the records reveal any other pertinent information with respect to the same minor or any other minor in the same family, the local reporting agency and the local juvenile probation department shall be immediately notified of the fact.

Reports and other pertinent information received from the department shall be made available to: any licensed physician and surgeon, dentist, resident, intern, podiatrist, chiropractor, or religious practitioner with regard to his patient or client; any director of a county welfare department, school superintendent, supervisor of child welfare and attendance, certificated pupil personnel employee, or school principal having a direct interest in the welfare of the minor; and any probation department, juvenile probation department, or agency offering child protective services.

(b) If the minor is a person specified in Section 600 of the Welfare and Institutions Code and the duty of the probation officer has been transferred to the county welfare department pursuant to Section 576.5 of the Welfare and Institutions Code and the report is made to the local police authority having jurisdiction, then the report required by subdivision (a) of this section shall be made to the county welfare department.

SEC. 2. Section 11161.6 of the Penal Code is amended to read:

11161.6. In any case in which a minor is observed by a probation officer or any person other than a person described in Section 11161.5 and it appears to the probation officer or person from observation of the minor that the minor has a physical injury or injuries which appear to have been inflicted upon him by other than accidental means by any person, that the minor has been sexually molested, or that any injury prohibited by the terms of Section 273a has been inflicted upon the minor, he may report such injury to the agencies designated in Section 11161.5.

No probation officer or person shall incur any civil or criminal liability as a result of making any report authorized by this section unless it can be proven that a false report was made and the probation officer or person knew or should have known that the report was false.

CHAPTER 243

An act to add Section 20456.4 to the Education Code, relating to county superintendents of schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 20456.4 is added to the Education Code, to read:

20456.4. Upon agreement between a majority of the members of the county board of education and a majority of the members of the county board of supervisors, as evidenced by resolutions adopted by each such board, the maximum allowable tax rate available pursuant to subdivision (b) of Section 20456 for the operation, maintenance and housing of a fiscally independent county office of education may be increased by an amount not to exceed one cent ($0.01) per one hundred dollars ($100) of assessed valuation if expenses for the operation, maintenance, and housing of the county office were funded from property tax revenues attributable to the county general fund in the 1972–73 fiscal year and if the county board of supervisors reduces the maximum general purpose tax rate of the county by the same amount by which the tax rate of the county superintendent of schools is increased in the fiscal year in which such rate is increased.

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

At least one county superintendent of schools is experiencing unanticipated and severe financial hardships due to the unintentional exclusion of the cost of operation, maintenance and housing of the county office from the computation of the tax rates levied in 1971–72 and 1972–73 fiscal years. In order that the remedial changes made by this act may be applicable for the 1976–77 fiscal year, and that the administration of finance for the county superintendent of schools may be orderly and effective, it is necessary that this act take effect immediately.

CHAPTER 244

An act to add Section 18330 to the Welfare and Institutions Code, relating to older Americans, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1976 Filed with Secretary of State June 21, 1976.]

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

SECTION 1. The Legislature finds that the Office on Aging, in the sound administration of the McCarthy-Kennick Nutrition Program for the Elderly Act of 1972, may from time to time be required to suspend, to terminate or to withhold funding for any nutrition project because of the determination of Director of the Office on Aging that there is a failure or inability of that nutrition project's contractor adequately to carry out project requirements. The Legislature further finds that federal funding is not available for provision by the Office on Aging on a purchase-of-service basis of the services otherwise provided by a nutrition project. Unless the State of California provides funding therefor, the Office on Aging will be unable to ensure, by such undertaking, the uninterrupted provision of nutrition and services to individuals eligible under this chapter in those cases where the Director of the Office on Aging determines that a nutrition project's contractor is unable or unwilling adequately to carry out project requirements.

SEC. 2. Section 18330 is added to the Welfare and Institutions Code, to read:

18330. In each case where the Director of the Office on Aging determines that the failure or inability of any contractor adequately to perform the terms of a contract for a nutrition project established pursuant to this chapter requires the suspension, termination or withholding of funding for that project in accordance with applicable law, the Office on Aging may provide on a purchase-of-service basis the services which otherwise would have been provided by that project for a period not to exceed 60 consecutive days where necessary to avoid interruption of provision of nutrition services to eligible individuals.

SEC. 3. There is hereby appropriated from the General Fund for the 1975–76 fiscal year the sum of forty thousand dollars ($40,000) for use by the Office on Aging in directly providing nutrition services in accordance with Section 18330 of the Welfare and Institutions Code.

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

The health and welfare of older Americans are being jeopardized by the temporary failure of some nutrition projects. To reduce the impact of such failure, it is necessary that this act take effect immediately.

CHAPTER 245

An act to amend Section 23010 of the Government Code, and to amend Sections 8963 and 9002 of, and to repeal Section 8961.5 of, the Health and Safety Code, relating to cemetery districts.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 23010 of the Government Code is amended to read:

23010. Pursuant to a resolution adopted by its board of supervisors, a county may lend any of its available funds to any community services district, county waterworks district, mosquito abatement district, pest abatement district, fire protection district, flood control and water conservation district, park, recreation and parkway district, recreation, park and parkway district, or regional park district, or public cemetery district located wholly within the county, if its funds are or when available will be in the custody of the county or any officer of the county, in order to enable the district to perform its functions and meet its obligations. The loan shall not exceed 85 percent of the district's anticipated revenue for the fiscal year in which it is made or for the next ensuing fiscal year, and shall be repaid out of such revenue prior to the payment of any other obligation of the district.

SEC. 2. Section 8961.5 of the Health and Safety Code is repealed.

SEC. 3. Section 8963 of the Health and Safety Code is amended to read:

8963. The district may do all acts necessary or proper for the carrying out of the purposes of this part, including the selling of burial rights in cemetery lots.

The trustees shall prepare or cause to be prepared and shall maintain an up-to-date map of the cemetery showing by section and lot number the lots in which burial rights have been sold and which burial rights are still available for sale.

The trustees shall keep or cause to be kept a record of all remains interred stating the name of each deceased person, his age, place of death, date of interment, the plot in which interment was made, and name and address of the funeral director.

SEC. 4. Section 9002 of the Health and Safety Code is amended to read:

9002. The trustees may invest and reinvest the principal of the fund in:

(a) Securities and obligations set forth in Section 53601 of the Government Code.

(b) Obligations of the United States or obligations for which the faith and credit of the United States are pledged for payment of principal and interest. These shall not be limited to maturity dates of one year or less.

(c) Obligations issued under authority of law by any county, municipality, or school district in this state for which are pledged the faith and credit either of the county, municipality, or school district for the payment of principal and interest, if within 10 years

immediately preceding the investment such county, municipality, or school district was not in default for more than 90 days in the payment of principal or interest upon any legally authorized obligations issued by it.

(d) Obligations of this state or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(e) Interest-bearing obligations issued by a corporation organized under the laws of any state, or of the United States provided that they bear a Standard and Poor's financial rating of AAA at the time of such investment.

SEC. 5. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

CHAPTER 246

An act to repeal Section 1602.5 of, to add Chapter 3 (commencing with Section 10300) to Division 7 of, to add Division 9.5 (commencing with Section 15000) to, to repeal Chapter 6 (commencing with Section 14900) of Division 9 of, to repeal Chapter 7 (commencing with Section 15400) of Division 9 of, and to repeal Chapter 8 (commencing with Section 15600) of Division 9 of, the Elections Code, relating to elections.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 1602.5 of the Elections Code, as added by Chapter 97 of the Statutes of 1976, is repealed.

SEC. 1.5. Chapter 3 (commencing with Section 10300) is added to Division 7 of the Elections Code, to read:

CHAPTER 3. VOTING MACHINES AND VOTE TABULATING DEVICES

Article 1. Voting Machines

10300. "Ballot label," means that portion of cardboard, paper or other material placed on the front of a voting machine, containing the names of the candidates or a statement of a measure.

10301. The ballot labels for measures shall contain a condensed statement in, where possible, not more than 20 words of each measure to be voted on, accompanied by the words "Yes" and "No."

10302. The ballot label for measures to be voted on throughout the state shall be composed by the Attorney General and shall be a

condensed statement of the ballot title prepared by him.

10303. The ballot label shall be printed by the clerk in black ink on clear material of such size as will fit the machine, of such color as may be determined by the clerk, and in as plain, clear type as the space will reasonably permit.

10304. The list of offices and candidates and the statements of measures used on the voting machines is an official ballot.

10305. The clerk shall furnish sufficient ballot labels for the voting machines used at any election.

10306. The officers or board charged with the duty of providing ballots for any polling place shall provide the polling place with two sample ballots which shall be arranged in the form of a diagram showing that part of the face of the voting machine which will be in use at that election.

10307. The sample ballots shall be either in full or reduced size and shall contain suitable illustrated directions for voting on the voting machine.

10308. The ballot labels shall be delivered to the officer in charge of the voting machines at least 30 days before the election.

10309. At the presidential primary, if the voting machine will accommodate it, the county central committee election ballot shall be placed upon the voting machine together with the presidential primary ballot.

10310. Any person who, before or during an election, tampers with any voting machine, interferes or attempts to interfere with the correct operation of a voting machine or the secrecy of voting, or willfully injures a voting machine to prevent its use, and any unauthorized person who makes or has in his possession a key to a voting machine that has been adopted and will be used in elections in this state, is guilty of a felony, punishable by imprisonment in a state prison for not less than one year nor more than 14 years.

10311. Penal laws and election laws relating to misconduct at elections apply to elections with voting machines.

Article 2. Vote Tabulating Devices

10320. Notwithstanding any other provisions of this code, the ballots to be counted by means of electronic or electromechanical devices may be of such size, composition, texture, and may be printed in any type of ink or combination of inks that will be suitable for use in the counting devices in which they are intended to be placed.

10321. The names of the candidates and the respective offices shall be printed on the ballot in parallel columns at least 2½ inches wide.

10322. Where electromechanical vote tabulating devices are used to count all or part of the ballots, the names of presidential candidates may be printed in the same column as the names of

candidates for other offices.

10323. The ballots may contain printed code marks or punched holes which may be used for placing the ballots in correct reading position in the counting devices. The code marks or punched holes shall not be used in any way that will reveal the identity of the voters voting the ballots.

10324. The sample ballot provided in Chapter 1 (commencing with Section 10000) of this division shall be a substantial facsimile of the official ballot, including instructions to voters.

10325. Whenever ballots are to be counted under the provisions of this chapter, all write-in votes for candidates, to be counted, shall be marked by the voter with the rubber stamp or other marking device in the space provided opposite the names of the write-in candidates. The instructions to voters printed on the ballots shall instruct the voter that the vote will not be counted unless the rubber stamp or other marking device is used in marking the ballot when writing in a candidate's name.

10326. The device for marking the ballot may be of any size, shape or form, and the impression made on the ballot may be in the form of a cross, square, circle, rectangle, or any other design that will clearly indicate the choice of the voter. Any type of ink or other substance that will clearly show the voter's choice may be used in or in conjunction with the marking device.

10327. The statement of measures submitted to the voters may be abbreviated on the ballot. The statement shall contain, where possible, not more than 20 words of each measure to be voted on, followed by the words, "Yes" and "No," or preceded by the words "For" and "Against." Abbreviation of measures to be voted on throughout the state shall be composed by the Attorney General and shall be a condensed statement of the ballot title prepared by him.

Article 3. Punchcards

10330. As used in this article, "ballot" means a single card or a number of cards upon which are printed the names of candidates and the ballot titles of measures to be voted on by a punching or slotting device at the election and includes a card upon which is printed the instructions to voters.

In addition to, or in lieu thereof, "ballot" may mean a reference page or pages upon which are printed the instructions to voters, office titles, names of candidates, and ballot titles of measures to be voted on by punching or slotting a separate card or a number of cards whereby the vote for each candidate and on each measure is registered in direct relation to the reference page or pages.

10331. As used in this article, "ballot card" means a card or a number of cards upon which are printed, or identified by reference to the ballot, the names of candidates for nomination or election to one or more offices or the ballot titles of one or more measures. The

ballot card shall also contain proper blank spaces to allow the voter to write in names not printed on the ballot unless a separate write-in ballot is used. The separate write-in ballot may be a paper ballot, a card, or the envelope used to enclose a ballot card. Determination of the format of a separate write-in ballot shall be within the discretion of the elections board. The separate write-in ballot shall provide a blank space followed by the word "office" and a second blank space followed by the word "name" for purposes of facilitating write-in votes for offices for which write-in votes may be cast, or may provide a space for writing in the name followed by a space for punching or slotting in order that the vote may be tabulated. All such separate write-in ballots may, in the discretion of the elections board, have attached thereto two stubs which comply with the provisions of Section 10334 regarding the stubs attached to a ballot card, except that the information required under subdivisions (c) through (g) of Section 10334 and instructions to voters on how to vote for persons whose names do not appear on the ballot may be printed on the write-in ballot and not upon a stub. Any serial numbers appearing on the write-in ballot stubs need not be identical to the serial numbers appearing on the stubs attached to the ballot card or cards handed to the voter. Sections 10001 through 10004 of the Elections Code shall not apply to the preparation and composition of separate write-in ballots authorized by this section. Sections 14438 and 14439 of this code shall not apply to separate write-in ballots used in an election in which a punchcard voting system is used.

10332. As used in this chapter "punchcard" means a tabulating card on which the voter may record his vote by punching, marking, or slotting, and the word "punching" includes marking a ballot card to record a vote.

10333. In approving ballots and ballot cards the State Commission on Voting Machines and Vote Tabulating Devices shall not give its approval unless the following are true:

(a) The size, shape, and texture of the ballot card is suitable for use in the automatic device in which it is intended to be placed.

(b) The ballot cards are so designed that they can readily be arranged with a section or ballot stub containing the serial number of the ballot, and a section with places for the voter to slot or punch holes indicating his choices of candidates and votes on measures.

(c) If the ballot is to consist of two or more series of cards, appropriate provision may be made for identifying the related series which comprise the ballot.

10334. Each ballot card shall have two stubs attached. The stubs shall be separated from the ballot card and from each other by perforated lines so that they may be readily detached. One stub shall have the serial ballot number printed on it, and shall be detached from the remainder of the ballot before it is handed to the voter. The second stub shall have printed on it: (a) the same ballot serial number; (b) the words "This ballot stub shall be removed by a

precinct board member and handed to the voter before the ballot is placed in the ballot container"; (c) the words "OFFICIAL BALLOT" in uppercase boldface type no smaller than 12-point; (d) in primary elections, the party name, e.g., "Democratic Party," or the words "Nonpartisan Ballot," as applicable; (e) the designation of the congressional, senatorial, and Assembly district; (f) the name of the county; (g) the date of the election; and (h) where not otherwise provided, instructions to the voter on how to mark the ballot with the marking device, how to vote for a candidate whose name is not printed on the ballot, and how to secure an additional ballot card if the ballot card is spoiled or marked erroneously. If the information in items (a) through (h) must also appear in one or more languages other than English under the provisions of the Voting Rights Act of 1965 as extended by Public Law 94-73 and there is insufficient room for all the information to be set forth in all the required languages while at the same time appearing in a type size sufficiently large to be readable, the official in charge of the election may delete the following items of information in the order listed until there is sufficient room: item (f), item (e), and item (g). In addition to the instructions to voters printed on the ballot or ballot stub, there shall be displayed in each voting booth instructions to voters substantially in the same form and wording as appears on paper ballots. Precinct numbers may also be placed on the ballot.

10335. The ballot shall contain the same material as to candidates and measures, and shall be printed in the same order as provided for paper ballots, and may be arranged in parallel columns on one or more ballot cards as required, except that the column in which the voter marks his choices may be at the left of the names of candidates and the designation of measures. If there are a greater number of candidates for an office or for a party nomination for an office than the number whose names can be placed on one pair of facing ballot pages, a series of overlaying pages printed only on the same, single side shall be used and the ballot shall be clearly marked to indicate that the list of candidates for such office is continued on the following page or pages. If the names of candidates for such office are not required to be rotated, they shall be rotated by groups of candidates in such manner that the name of each candidate shall appear on each page of the ballot in approximately the same number of precincts as the names of all other candidates. Space shall be provided on the ballot or on a separate write-in ballot to permit voters to write in names not printed on the ballot when authorized by law. The size of type and the spacing of the material may be varied to suit the conditions imposed by the use of ballot cards, provided the type on the ballot cards, when enlarged by a magnifying device on the marking device provided at the polling place, shall appear to the voter as approximately equal in size to that on paper ballots. The statement of measure submitted to the voters may be abbreviated if necessary on the ballot, provided there is displayed in each voting

booth the verbatim statement on each measure as it appears on paper ballots. Abbreviation of matters to be voted on throughout the state shall be done by the Attorney General.

10336. The sample ballot provided in Chapter 1 (commencing with Section 10000) of this division shall be printed in either of two formats: (a) booklet form or (b) on one or more sheets on one or both sides. The sample ballot shall be printed on white or tinted paper and shall be a substantial facsimile of the ballot, including instructions to voters.

10337. If more than one ballot card is used at an election, different tints of cardboard stock or other suitable means may be used for each series of ballot cards to facilitate the sorting of ballots.

10338. If the number of offices and measures to be voted upon at an election cannot be accommodated on one ballot card, the clerk may, at his discretion, place part of the ballot upon more than one ballot card or he may place part of the ballot upon the ballot card and the remainder upon paper.

10339. If punchcard ballots are used for absent voting, the ballots shall be marked by pencil, or by a marking device which enables the voter to register his vote by punching or slotting the ballot card. Counting of punchcard ballots marked by pencil may be as with paper ballots, or a true duplicate copy of each ballot may be prepared using the same procedure as provided by Section 15271. Absent voter ballots so prepared shall be counted by the counting device.

10340. If an official ballot consisting of one or more individual ballot cards upon which the names of candidates and measures are printed is used for absent voting, the two stubs specified in Section 10334 may be eliminated from the ballot cards by printing a group style number on each card and by printing the information required by subdivisions (c), (d), (e), (f), (g), and (h) of Section 10334 on a separate form accompanying the official ballot.

SEC. 2. Chapter 6 (commencing with Section 14900) of Division 9 of the Elections Code is repealed.

SEC. 3. Division 9.5 (commencing with Section 15000) is added to the Elections Code, to read:

DIVISION 9.5. VOTING SYSTEMS

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

15000. Unless the context otherwise requires, the definitions set forth in this article shall govern the construction of this division.

15001. "Commission" means the State Commission on Voting Machines and Vote Tabulating Devices.

15002. "Commissioner" means a member of the State Commission on Voting Machines and Vote Tabulating Devices.

15003. "Demonstrator" means a model or facsimile of the voting device or the portion of the face of the voting machine which shows the voter how to operate the machine.

15004. "Elections official" means any county clerk, city clerk, registrar of voters, elections supervisor, or governing board having jurisdiction over elections within any county, city, or district within the state.

15005. "Punchcard" means a tabulating card on which the voter may record his vote by punching, marking, or slotting.

15006. "Software" includes all programs, voting devices, cards, ballot cards or papers, operating manuals or instructions, test procedures, printouts, and other nonmechanical or nonelectrical items necessary to the operation of a voting system.

15007. "Voting device" means any device used in conjunction with a ballot card or cards to indicate the choice of the voter by marking, punching, or slotting the ballot card.

15008. "Voting machine" means any device upon which a voter may register his vote, and which, by means of counters, embossing, or printouts, furnishes a total of the number of votes cast for each candidate or measure.

15009. "Voting system" means any mechanical, electromechanical, or electronic system and its software, or any combination of such used to cast or tabulate votes, or both.

15010. "Vote tabulating device" means any piece of equipment, other than a voting machine, which compiles a total of votes cast by means of ballot card sorting, ballot card reading, paper ballot scanning, electronic data processing, or a combination of such equipment.

Article 2. General Procedures

15020. This division shall be liberally construed so that the real will of the electors will not be defeated by any informality or failure to comply with all of the provisions of the law.

15021. Any provision of this division, insofar as it is inconsistent with any other provision of this code relating to the same subject matter, shall be controlling as to any election or precinct for which the provisions of this division are adopted.

15022. Notwithstanding any other provision of the law to the contrary, including any city or county ordinance, unless such other provision of the law is deemed consistent with this division, the provisions of this division shall govern voting systems.

15023. The governing board may adopt for use at elections any kind or combination of voting system approved by the commission or the use of which has been specifically authorized by law. The voting system may be used at any or all elections held in any county, city, or any of their political subdivisions for voting, registering and counting votes cast. When more than one voting system is used to

cast ballots the names of candidates shall, insofar as possible, be placed upon the primary voting system.

15024. The governing board, without formally adopting a system which it might lawfully adopt, may provide for its experimental use at an election in one or more precincts. Its use at the election is as valid for all purposes as if it were lawfully adopted.

15025. In the case of electrical failure or other emergency, the official conducting the election may direct that ballots may be marked by pencil or ink. In such event, counting shall be conducted as provided in Chapter 1 (commencing with Section 17000) of Division 10.

15026. The governing board may provide for the payment of the cost of the voting system equipment in such manner and by such method as it may deem for the best local interests, and also may for that purpose issue bonds, certificates of indebtedness, or other obligations which shall be a charge on the county or city. The bonds, certificates, or other obligations may be issued with or without interest, payable at such time as the authorities may determine, but shall not be issued or sold at less than par. The governing board may enter into lease agreements or lease-purchase agreements for the use of equipment.

CHAPTER 2. VOTING SYSTEMS: GENERALLY

Article 1. State Commission on Voting Machines and Vote Tabulating Devices

15100. There is in state government a State Commission on Voting Machines and Vote Tabulating Devices, which commission shall study and adopt regulations governing the use of voting machines, voting devices, and vote tabulating devices.

15101. The Governor, Secretary of State, and Attorney General, and their successors in office are the commission. The Governor shall be chairman and the Secretary of State shall be secretary of the commission.

Two members of the commission constitute a quorum of the commission, and no action shall be taken by the commission with respect to the approval of a voting machine or vote tabulating device in the absence of a quorum.

The secretary may make all arrangements for the time and place to examine voting equipment proposed to be sold in this state. He shall furnish a complete report of the findings of the examining engineers to each member of the commission.

Whenever a power is granted to, or a duty is imposed upon, a commissioner, the power may be exercised or the duty may be performed by an alternate appointed by that commissioner.

15102. The Chairman of the Senate Standing Committee on Elections and Reapportionment and the Chairman of the Assembly

Standing Committee on Elections and Reapportionment shall meet with the commission and participate in the work of the commission to the extent that such participation is not incompatible with their positions as Members of the Legislature. For the purposes of this division, the chairman of the committees named shall constitute a joint interim legislative committee on the subject of this chapter and shall have the powers and duties imposed upon such committees by the Joint Rules of the Senate and Assembly.

15103. The commission may investigate any alleged violation of its regulations with power to subpoena all necessary persons and records.

15104. Prior to giving its decision approving or withholding approval of any voting machine, voting device, or vote tabulating device, the commission shall hold a public hearing to give persons interested an opportunity to express their views for or against the machine or device.

The commission, through the Secretary of State, shall give notice of the hearing in the manner prescribed in Section 6064 of the Government Code in a newspaper of general circulation published in Sacramento County. The Secretary of State shall also transmit written notice of the hearing, at least 30 days prior to the hearing, to each county clerk, to any person that the Secretary of State believes will be interested in the hearing, and to any person who requests, in writing, notice of any such hearing.

The decision of the commission, either approving or withholding approval of a voting machine, voting device, or vote tabulating device, shall be in writing and shall state the findings of the commission. The decision shall be filed with the Secretary of State and shall be open to public inspection.

Article 2. Approval of Voting Systems

15110. The commission shall not approve any voting system, or part of a voting system, unless it fulfills the requirements of this code and the regulations of the commission.

15111. No voting system, in whole or in part, shall be used unless it has received the approval of the commission prior to any election at which it is to be first used.

15112. Any person or corporation owning or being interested in any voting system or part of a voting system may apply to the commission to examine it and report on its accuracy and efficiency to fulfill its purpose. The commission shall complete its examination without undue delay.

15113. The commission shall establish the specifications for and the regulations governing voting machines, voting devices, and vote tabulating devices and any software used for each including the programs and procedures for vote tabulating and testing. The criteria for establishing such specifications and regulations shall

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include, but not be limited to, the following:

(a) The machine or device and its software shall be suitable for the purpose for which it is intended.

(b) The system shall preserve the secrecy of the ballot.

(c) The system shall be safe from fraud or manipulation.

15114. For the purpose of assistance in examining a voting system the commissioners may employ not more than three expert electronic technicians at a cost to be set by the commission. The compensation of the electronic technicians shall be paid by the person or corporation submitting the machine or device.

The commission may require the person or corporation submitting the machine or device to deposit sufficient funds to guarantee the payment of the examination charges. The Secretary of State may deposit the funds in an appropriate treasury trust account and, within 30 days after his report of examination, draw a refund check to the credit of the person or corporation for any amount in excess of costs.

15115. Within 30 days after completing the examination of any voting system, the commissioners shall make and file with the Secretary of State a report stating whether in the opinion of the commission the kind of voting system examined can safely be used. The report shall also contain a written or printed description and drawings and photographs clearly identifying the machine or device and its mechanical operation.

15116. If the report states that the voting system can be used, it shall be deemed approved by the commissioners and machines or devices of its kind may be adopted for use at elections.

15117. Within 10 days after receiving the report of the commission, the Secretary of State shall send a copy to the board of supervisors of each county.

15118. When a voting system or a part of a voting system has been approved by the commission, it shall not be changed or modified until the commission has been notified in writing and determined that the change or modification does not impair its accuracy and efficiency sufficient to require a reexamination and reapproval pursuant to this article. The commission may adopt rules and regulations governing the procedures to be followed in making its determination as to whether the change or modification impairs accuracy or efficiency.

15119. The elections official of any county or city using voting or vote tabulating equipment shall inspect the machines or devices at least once every two years to determine their accuracy. Any county or city using leased or rented equipment shall determine if the equipment has been inspected for accuracy within the last two years before using it for any election. The inspection shall be made in accordance with regulations adopted and promulgated by the commission. The elections official shall certify the results of the inspection to the commission.

15120. If the commission has reason to believe that a local inspection of equipment is not adequate, it may cause the equipment to be reexamined, at any time prior to six months before a statewide election, to insure that they tabulate votes accurately.

For the purpose of reexamining voting equipment the commission may employ not more than three expert technicians at a cost to be determined by the commission. The compensation of the technicians shall be paid by the county using the equipment examined.

The Secretary of State may make all arrangements for the time and place to examine the voting equipment, and shall furnish a complete report of the findings of the examining engineers to each member of the commission, to each county elections official, to the chairman of the elections committees of the Assembly and Senate, and to the manufacturer of the equipment.

15121. Voting equipment may be loaned or rented for any purposes with the consent of the board of supervisors, if payment for the expenses incident to the use of such machines is made.

15122. The commission shall review voting systems periodically to determine if they are defective, obsolete, or otherwise unacceptable. The commission has the right to withdraw its approval previously granted under this article of any voting system or part of a voting system should it be defective or prove unacceptable after use in any election. Six months' notice must be given before withdrawing approval.

CHAPTER 3. ELECTIONS USING VOTING SYSTEMS

Article 1. General Provisions

15200. This chapter shall govern all elections except those totally using paper ballots counted by hand. Voting machines are governed by this chapter only where the provisions of this chapter are not inconsistent with Chapter 4 (commencing with Section 15320) of this division.

15201. A governing board may adopt a system provided for in this division for any or all precincts within its jurisdiction, and for any portion or all of any election. The election official may, from time to time, combine, rearrange, or enlarge the precincts for which such system is adopted, provided no direct primary or general election precinct shall include more than 1,000 voters, if using a punchcard system, or 600 voters, if using any other system provided for by this division. The governing board may cease to use such system in any or all precincts or elections under its jurisdiction.

15202. A precinct board inspector shall not serve in any election unless he has received instruction and is fully qualified to perform his duties.

15203. Prior to each election the elections official shall instruct the precinct board inspector and as many other board members as

possible in the use of the voting equipment and in their other duties.

15204. This article shall not prevent the appointment and service of a member of a precinct board to fill a vacancy in an emergency.

15205. In any municipal, special district, or school district election at which an electronic, electromechanical, or punchcard voting system is to be used for counting the ballots, the officer in charge of the election may provide that the precinct board shall consist of one inspector and two or more judges who shall be appointed pursuant to the provisions of Division 9 (commencing with Section 14000). This section shall not apply to any local election consolidated with a statewide direct primary or general election.

15206. Except as otherwise provided in this chapter, in local elections where precincts consist of fewer than 500 voters and where ballots are to be counted by means of vote tabulating devices, the precinct board may consist of one inspector and two clerks.

15207. Where part of the ballot is voted upon paper and part upon voting machines, there shall be appointed an additional precinct board member.

15208. A copy of each election computer vote count program for a statewide election or state special election to fill vacancies shall be deposited with the Secretary of State at least one week before the election. Copies of any subsequent alterations in the program shall be deposited in the same manner prior to the election.

The Secretary of State shall hold the deposited programs for a period of not less than six months, at which time the program shall be returned to the depositor. The programs deposited in accord with this section shall be used only for an official recount, court action or for logic and accuracy tests required by the Secretary of State or the Commission on Voting Machines and Vote Tabulating Devices.

15209. All voting equipment shall be transferred to the polling places in charge of an authorized official, who shall certify to their delivery in good order.

15210. Ballots and other election supplies appropriate to the system shall be furnished as provided for other precincts except that:

(a) No rubber stamps or ink pads shall be supplied when only ballots to be punched are used.

(b) Ballots shall be suitable to be punched or slotted in the marking device and subsequently counted on an approved mechanical or electronic counting device.

(c) The containers of the ballots shall be of such type that they will adequately protect the ballots and that they can be opened without mutilation.

Article 2. Procedures at the Polls

15220. The procedure at the polls where voting is conducted pursuant to this division shall be the same as at other polling places, except as provided in this article.

15221. After the opening of the polls, the precinct board shall not allow any voter to enter the voting booth until it ascertains that he is entitled to vote.

15222. Before each voter enters the voting booth, the precinct board shall inform him how to operate the voting device. If a marking or punching device is used the voter shall be instructed to use only that device. The voter shall also be instructed how to fold the ballot and place it in the envelope. If any voter, after entering the booth, asks for information regarding the operation of the machine or device the precinct board shall give him the information.

15223. The device for marking the ballot may be handed to the voter with his ballot before the voter goes into the voting booth, and shall be returned to the precinct board after he has finished marking his ballot.

15224. In any election where ballots are to be counted both manually and by electromechanical tabulating devices, the marking device used for marking ballots to be counted electromechanically may be used for marking ballots to be counted manually.

15225. Before leaving the voting booth or compartment the voter shall fold or place the ballot card in the envelope so that the ballot markings of the voter will not be exposed, and the ballot stub will be outside of the envelope or other container to be removed by the precinct board.

15226. After his ballot is marked a voter shall not show it to any person in such a way as to reveal its contents.

15227. The voter shall hand the folded ballot or the envelope containing the ballot to a precinct board member who shall remove the ballot stub, hand it to the voter, and deposit the ballot in the ballot container. If the ballot is to be transferred from the envelope to the ballot container care shall be taken not to disclose the markings of the voter on the ballot.

Article 3. Closing the Polls

15240. Any ballot that is torn, bent, or mutilated shall be segregated in the manner directed by the elections official and shall be placed within the same sealed container as provided for other voted ballots in Section 15835 and shall be delivered with the voted ballots to the counting place, where a duplicate shall be prepared as provided in Section 15872. Any ballot that is marked in a manner so as to identify the voter shall be marked "Void" and shall be placed in the container for void ballots.

15241. As soon as the polls are closed, the precinct board shall remove the voted ballots from the ballot container, and take them out of the envelopes. Where such envelope is also the write-in ballot and a write-in vote has been registered thereon, the ballot card shall not be separated from the envelope until the validity of the write-in vote has been checked and the used envelope and its related ballot

card have been cross-identified pursuant to Section 15832 and if two or more separate ballot cards have been used in the election, sort them into groups each of which shall contain the same series of ballot cards. The precinct board shall next count the number of ballot cards in each group, and certify the number of votes cast on the voting roster as provided by Section 14215. If there is any discrepancy between the number of voters listed in the roster and the number of ballots voted, this fact shall be noted with an explanation of the difference and signed by all the members of the precinct board.

15242. The precinct board, or if the election board so directs, a board, or boards, at a central counting place shall examine the ballots and count the votes cast for candidates whose names have been written in. If a separate write-in ballot is used, the board shall number each write-in ballot which contains a write-in vote, starting with the number 1, and the same number shall be placed on the ballot card in the place designated for this purpose. Before any such vote is counted the board shall examine the ballot to ascertain whether the write-in vote is valid, and count it only if it is found to be valid. Neither a vote registered by punching or slotting nor a write-in vote shall be counted if the voter has marked his ballot by a combination of punching or slotting the ballot card and writing in, a choice of more names than there are candidates to be elected or nominated for any office. All valid write-in votes shall be tabulated and certified to the clerk on forms provided for this purpose, and the write-in votes shall be added to the results of the count of the ballots at the counting place and be included in the official returns for the precinct.

15243. The precinct board shall group voted ballot cards and voted separate write-in ballots as directed by the county clerk and place them in containers. The board shall also place spoiled and void ballots and voided write-in ballots, if any, in containers as directed by the county clerk, all of which, along with the containers for voted ballot cards shall be placed in one or more boxes which shall then be sealed and delivered as soon as possible to the receiving centers or central counting places with the unused ballots, supplies, and other materials as directed by the county clerk.

Article 4. Counting Procedure

15260. An election board may provide that the ballots cast in any precinct for which the system provided for in this chapter has been adopted shall be counted at the polls or at a central counting place, or places, as provided in this chapter.

15261. In the event that paper ballots are used in conjunction with this system, counting shall be as provided in Division 10 (commencing with Section 17000).

15262. If the ballots are to be counted at a central counting place a member of the precinct board shall, following the close of the polls,

deliver the ballots, in a sealed container, to the central counting place or a designated receiving station. There may be two or more central counting places.

15263. The ballots may be counted at the polls if a counting or tabulating machine approved therefor pursuant to this division is available at the polls. In case of an emergency in which it becomes impossible to transport the ballots from the precinct to a central counting place, the election official may direct that such ballots be counted at the precinct. In such cases, counting shall be conducted substantially in accordance with the provisions of Chapter 1 (commencing with Section 17000) of Division 10 of this Elections Code.

15264. The vote tabulating device may be located at any place within the state approved by the election board of the county or other political subdivision using the device. The same device may be jointly owned, borrowed, leased or used by two or more counties, cities or other political subdivisions to tabulate ballots cast in any election.

15265. All proceedings at the central counting place shall be open to the view of the public, but no person except one employed and designated for the purpose by the elections official, or his authorized deputy shall touch any ballot container. Access to the area where electronic data-processing equipment is being operated may be restricted to those persons authorized by the elections official.

15266. The county central committee of each qualified political party may employ, and may have present at the central counting place or places, not more than two qualified data-processing specialists or engineers to check and review the preparation and operation of the tabulating devices, their programming and testing, and have such specialists or engineers in attendance at any or all phases of the election.

15267. Each container of ballots shall be opened and its contents removed. The ballots shall be checked to ascertain if the ballots are properly grouped and shall be arranged so that all similar ballots from the precinct are together.

15268. Any tape used in the programming of an electronic or electromechanical vote counting device upon which votes are registered pursuant to this chapter, and any tape used in the compiling of vote totals from such counting device, shall be kept under lock and seal, and if there is a recanvass of the votes, the officer entrusted with the tapes shall submit his affidavit stating that they are the true tapes used in the election and have not been altered.

15269. The tabulating machines used pursuant to this division may be equipped with a device that registers votes cast for candidates and measures on a cumulative basis and which may be used to determine the votes cast for each candidate and on each measure at any time and up to that time.

15270. In preparing the voted ballot cards for processing, any

ballot card that is torn, bent, or otherwise defective shall be corrected so that every vote cast by the voter shall be counted by the automatic tabulating equipment. If necessary, a true duplicate copy of the defective ballot card shall be made and substituted therefor, following the intention of the voter insofar as it can be ascertained from the defective ballot card. All duplicate ballot cards shall be clearly labeled "duplicate," and shall bear a serial number which shall be recorded on the damaged or defective ballot.

15271. If paper ballots are used for absentee voting the canvass may be conducted in accordance with Chapter 7 (commencing with Section 18200) of Division 10, or the clerk may have a true duplicate copy of absentee voter paper ballots made on punchcard ballots which shall be verified in the presence of witnesses and after verification the punchcard ballots shall be counted in the same manner as other punchcard ballots.

15272. The clerk may count absent voter ballots by the use of a voting machine or vote tabulating device subject to the following:

a. All interested persons shall be afforded the opportunity to be present.

b. No vote shall be counted unless there are at least three persons observing the counting procedure.

c. The voting machine or device shall be inspected, all of its registering counters set at zero (000) and locked.

d. The clerk pursuant to the provisions of Section 15141 may appoint persons to assist in the counting of these ballots.

e. No vote shall be registered in the voting machine or device unless all persons present are in agreement that the voting machine or device reflects exactly the vote of the ballot being counted.

f. When the votes of all absent voter ballots have been registered in the voting machine or device, the results of the votes cast shall be tabulated in the same manner as the results from other voting machines or devices.

15273. When voting at all precincts within a county has not been conducted using the same voting system, the result as to the precincts not subject to this chapter shall be determined in accordance with other provisions of this code and the result of the vote at precincts subject to this chapter shall be determined as provided in this chapter. The statement of the vote in such case shall represent the consolidation of all such results and the results of the canvass of all absent voter ballots.

15274. When ballots are counted under the provisions of this chapter, the result of the vote shall be shown by precincts.

15275. Upon completion of the count, the clerk shall add to the results as so determined the results of the write-in votes and any paper ballots used as certified by the precinct board and thereupon shall declare the vote, and forthwith post one copy at the counting place for public inspection.

15276. The final canvass of the vote at an election in which all voting in the county was done pursuant to this division may be made by adding the results as determined by the clerk to the results of the canvass of the absent voter ballots and making the statement of the vote in the manner provided for the particular election.

Article 5. Recount

15280. On recount, ballots may be challenged pursuant to Section 18506.5.

15281. Notwithstanding any other provision of law in any election in which devices provided for by this chapter are used, recounts of the ballots so tabulated shall be accomplished in any or all of the ways provided herein.

(a) Within 15 days after every such election, the chief elections officer or other officer conducting the election shall conduct a public manual recount of the ballots tabulated by such devices cast in one percent (1%) of the precincts. In such case, however, the recount shall be conducted in not less than six precincts or if the total number of precincts is less than six, then the recount shall be conducted in all the precincts.

(b) When requested by the board of supervisors or the grand jury, the district attorney may petition the superior court for an order directing a public recount to be made of such ballots in such precincts in the county as it designates for any election occurring not over 25 days before such request. Such request and petition shall be made only on one or more of the following grounds, and such order may be issued only with a finding that there is probable cause to believe that one or more of the grounds exist:

(1) Misconduct by anyone sufficient to make it likely that the result of the election was affected as to the successful candidates or propositions or tie holders, including any of the conduct specified in Section 20021;

(2) Errors or failures, whether electronic, mechanical or otherwise, in the safekeeping, handling, tallying, counting, recording, or certification of the ballots or votes cast, sufficient to make it likely that the result of the election was affected as to the successful candidates or propositions or tie holders, or sufficient to cast substantial doubt on the substantial accuracy of the results without regard to affecting any result.

The petition shall be set for hearing and may be opposed by any interested party.

(c) The court may order such further recounts as it may deem proper based on the results of the recounts provided for in subdivisions (a) and (b); and shall declare the results of all such recounts; and shall determine and order corrected the results of any election affected by any recount.

(d) The court may order payment of the costs of any such recount in whole or in just proportion by any person or any public agency,

or both, who petition for a recount. In the case of public agencies the costs shall be provided for and paid pursuant to Section 15026.

15282. Upon the completion of the counting of the votes as provided in this chapter, all ballot cards shall be arranged by precincts and shall be kept by the clerk for six months or so long thereafter as any contest involving the vote at the election remains undetermined.

Notwithstanding any other provision of this code, the final disposition of all voted ballot cards shall be determined by the clerk; and sealed ballot containers may be opened if the elections official determines it is necessary in a shredding or recycling process.

15283. Section 15207 shall apply unless a court orders the program held pending the conclusion of litigation challenging the outcome of an election. If court action or an official recount is initiated while the program is on deposit, the Secretary of State shall make the program available to the court or the elections official in whose jurisdiction the court action or recount takes place, upon written request.

15284. Any tape used in programming of vote totals, shall be kept under lock and seal, and if there is a recanvass of votes, the officer entrusted with the tapes shall submit his affidavit stating that they are true tapes used in the election and have not been altered.

CHAPTER 4. VOTING MACHINE

Article 1. Ballots

15300. A voting machine shall, except at a direct primary election, permit the voter to vote for all the candidates of one party or in part for the candidates of one party and in part for the candidates of one or more other parties.

15301. A voting machine shall provide in the general election for grouping under the name of the office to be voted on, all the candidates for the office with the designation of the parties, if any, by which they were respectively nominated.

The designation may be by usual or reasonable abbreviation of party names.

15302. The labels on voting machines and the way in which candidates' names are grouped shall conform as nearly as possible to the form of ballot provided for in elections where voting machines are not used.

15303. If the voting machine is so constructed that a voter can cast a vote in part for presidential electors of one party and in part for those of one or more other parties or those not nominated by any party, it may also be provided with: (a) one device for each party for voting for all the presidential electors of that party by one operation; and (b) a ballot label therefor containing only the words "presidential electors" preceded by the name of the party and followed by the names of its candidates for the offices of President and Vice President; and (c) a registering device therefor which shall

register the vote cast for the electors when thus voted collectively.

If a voting machine is so constructed that a voter can cast a vote in part for delegates to a national party convention of one party and in part for those of one or more other parties or those not nominated by any party, it may be provided with one device for each party for voting by one operation for each group of candidates to national conventions which may be voted for as a group according to the law governing presidential primaries.

No straight party voting device shall be used except for delegates to a national convention or for presidential electors.

15304. A write-in ballot shall be cast in its appropriate place on the machine, or it shall be void and not counted.

Article 2. Preliminaries

15320. Before preparing a voting machine for any general election, the elections official shall mail written notice to the chairman of the county central committee of at least two of the principal political parties, stating the time and place where machines will be prepared. At the specified time one representative of each of the political parties shall be afforded an opportunity to see that the machines are in proper condition for use in the election.

The party representatives shall be sworn to perform faithfully their duties but shall not interfere with the officials or assume any of their duties. When a machine has been so examined by the representatives, it shall be sealed with a numbered metal seal. The representatives shall certify to the number of the machines; whether all of the counters are set at zero (000); and the number registered on the protective counter, and on the seal.

15321. The elections official shall affix ballot labels to the machines to correspond with the sample ballot for the election. He shall employ competent persons to assist him in affixing the labels and in putting the machines in order. Each machine shall be tested to ascertain whether it is operating properly.

15322. When a voting machine has been properly prepared for an election, it shall be locked against voting and sealed. After such initial preparation, a member of the precinct board or some duly authorized person, other than the one preparing the machines, shall inspect each machine and submit a written report. The report shall note the following:

(1) Whether all of the registering counters are set at zero (000), (2) whether the machine is arranged in all respects in good order for the election, (3) whether the machine is locked, (4) the number on the protective counter, (5) the number on the seal. The keys shall be delivered to the election board together with a copy of the written report, made on the proper blanks, stating that the machine is in every way properly prepared for the election.

Article 3. Procedures at the Polls

15340. Any member of a precinct board who has not previously attended a training class in the use of the voting machines and the duties of a board member shall be required to do so, unless appointed to fill an emergency vacancy.

15341. The precinct board shall consist of one inspector and two judges who shall be appointed and compensated pursuant to the general election laws. One additional inspector or judge shall be appointed for each additional voting machine used in the polling place.

15342. The elections official shall deliver to the polling place the supplies necessary to conduct the election, including two sample ballots, one envelope containing the seal for sealing the machine after the polls are closed, one envelope for the return of the keys, and as many copies of the statement of votes cast as are necessary.

15343. Before unsealing the envelope containing the keys and opening the doors concealing the counters the precinct board shall determine that the number on the seal on the machine and the number registered on the protective counter correspond to the numbers on the envelope.

Each member of the precinct board shall then carefully examine the counters to see that each registers zero (000). If the machine is provided with embossing, printing, or photography devices which record the readings of the counters the board shall, instead of opening the counter compartment, cause a "before election proofsheet" to be produced and determined by it that all counters register zero (000).

If any discrepancy is found in the numbers registered on the counters or the "before election proofsheet" the precinct board shall make, sign, and post a written statement attesting to this fact. In filling out the statement of return of votes cast, the precinct board shall subtract any number shown on the counter from the number shown on the counter at the close of the polls.

15344. The keys to the voting machines shall be delivered to the precinct board no later than 12 hours before the opening of the polls. They shall be in an envelope upon which is written the designation and location of the election precinct, the number of the voting machine, the number on the seal, and the number registered on the protective counter. The precinct board member receiving the key shall sign a receipt.

The envelope shall not be opened until at least two members of the precinct board are present to determine that the envelope has not been opened.

At the close of the polls the keys shall be placed in the envelope supplied by the official and the number of the machine, the number of the seal, the number registered on the protective counter, shall be written on the envelope.

15345. The exterior of the voting machine and every part of the

polling place shall be in plain view of the election precinct board and the poll watchers. The ballot labels shall be clearly visible when the machine is not in use and shall be inspected by a member of the precinct board after each voter has left the booth. Each machine shall be at least four feet from the poll clerk's table.

15346. Voters shall not remain in or occupy the booths or compartments longer than is necessary to mark their ballots, which shall not exceed five minutes; provided, however, that where no other voter would be inconvenienced, a longer period shall be allowed.

Article 4. Results

15360. During the reading of the result of votes cast, any candidate or watcher who may desire to be present shall be admitted to the polling place. The proclamation of the result of the votes cast shall be distinctly announced by the precinct board who shall read the name of each candidate, or the designating number and letter of his counter, and the vote registered on such counter. The board shall also read the vote cast for and against each measure submitted. The board shall not count votes cast for write-in candidates, but shall have these counted by the elections official. During the proclamation ample opportunity shall be given to any person lawfully present to compare the result so announced with the counter dials of the machine, and any necessary corrections shall then and there be made by the precinct board, after which the doors of the voting machine shall be closed and locked.

If the machine is provided with a recording device, the alternate procedures in Section 15364 may be used.

15361. In each election district where voting machines are used, statements of the results of the vote cast shall be printed to conform with the type of voting machine used.

The designating number and letter on the counter for each candidate shall be printed next to the candidate's name on the statements of result of the vote cast. Two such statements shall be used in each election district.

15362. The statement of the result of votes cast, which shall be certified by the precinct board, shall contain:

(a) The total number of votes cast.

(b) The number of votes cast for each candidate and measure as shown on the counter.

(c) The number of votes for persons not nominated.

(d) Printed directions to the precinct board for their guidance before the polls are opened and when the polls are closed.

(e) A certificate which shall be signed by the election officers before the polls are opened, showing:

(1) The delivery of the keys in a sealed envelope.

(2) The number on the seal.

(3) The number registered on the protective counter.

(4) Whether all of the counters are set at zero (000).
(5) Whether the public counter is set at zero (000).
(6) Whether the ballot labels are properly placed in the machine.
(f) A certificate which shall be filled out after the polls have been closed, showing:
(1) That the machine has been locked against voting and sealed.
(2) The number of voters as shown on the public counter.
(3) The number on the seal.
(4) The number registered on the protective counter.
(5) That the voting machine is closed and locked.

15363. As soon as the polls are closed, the precinct board, in the presence of the watchers and all others lawfully present, shall immediately lock the voting machine against voting and open the counting compartments, giving full view of all counter numbers. A board member shall in the order of the offices as their titles are arranged on the machine, read and distinctly announce the name or designating number and letter on each counter for each candidate's name and the result as shown by the counter numbers. He shall also in the same manner announce the vote on each measure.

If the machine is provided with a recording device, in lieu of opening the counter compartment the precinct board shall proceed to operate the mechanism to produce the statement of return of votes cast record in a minimum of three copies, remove the irregular ballot, if any, record on the statement of return of votes cast record. The irregular ballot shall be attached to the statement of result record of votes cast for the machine and become a part thereof. One copy of the statement of return of votes cast for each machine shall be posted upon the outside wall of the precinct for all to see. The statement of return of votes cast for each machine for the precinct shall constitute the precinct statement of result of votes cast.

15364. A member of the precinct board shall enter the vote, as registered, on the statements of result of votes cast, in the same order on the space which has the same name or designating number and letter, after which another member shall verify the figures by calling them off in the same manner from the counters of the machine. The counter compartment of the voting machine shall remain open until the official returns and all other reports have been fully completed and verified by the precinct board.

If the machine is provided with a recording device, the alternate procedures in Section 15284 may be used.

15365. Before adjourning, the precinct board shall seal the operating lever with the seal provided and lock the machine so that the voting and counting mechanism may not be operated.

It shall remain locked and sealed against operation until the time for filing a contest of election has expired, which shall not exceed a period of 30 days following any statewide election or a period of eight days following any local or special election.

15367. The precinct board shall, before it adjourns, post conspicuously on the outside of the polling place a copy of the result

of the votes cast at the polling place. The copy of the result shall be signed by the members of the precinct board.

If the machine is provided with a recording device, the statement of result of votes cast produced by operating its mechanism may be considered the "result of the votes cast" at the polling place.

15368. The precinct board shall immediately transmit unsealed to the clerk a copy of the result of the votes cast at the polling place, such copy shall be signed by the members of the precinct board and shall be open to public inspection.

15369. Before proceeding to canvass the returns of an election at which voting machines have been used to register the votes cast, the board authorized to canvass returns shall open the counter compartment and compare the records of votes cast for the several candidates voted for and for and against the several measures voted upon shown on each machine with those recorded on the statement of results of votes cast prepared from that machine by the precinct board. Any errors found on the statement shall be corrected by crossing out the recorded incorrect number, and recording the correct number nearby.

If the machine is provided with a recording device, the board shall inspect the statement of return of votes cast record. However, for good and sufficient cause the board shall unseal the machines and take off and record the records of votes cast for the several candidates and for and against the several measures voted upon. Each voting machine shall immediately be resealed.

SEC. 4. Chapter 7 (commencing with Section 15400) of Division 9 of the Elections Code is repealed.

SEC. 5. Chapter 8 (commencing with Section 15600) of Division 9 of the Elections Code is repealed.

CHAPTER 247

An act to amend Sections 53569 and 53573 of the Government Code, relating to the refunding of bonds of local agencies.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 53569 of the Government Code is amended to read:

53569. Before selling any refunding bonds subject to the provisions of this article, any local agency shall advertise such bonds for sale at public sale and shall invite sealed bids therefor by publication of a notice once at least 10 days before the date of such public sale in a newspaper of general circulation circulated within the boundaries of each local agency to be aided by the public project

to be financed by the issuance of such bonds; provided that, if an issue of bonds is less than five hundred thousand dollars ($500,000), a local agency is not required to advertise such bonds for public sale or to accept bids thereon pursuant to this section. If one or more satisfactory bids are received pursuant to such notice, such bonds shall be awarded to the highest responsible bidder. If no bids are received or if the local agency determines that the bids received are not satisfactory as to price or responsibility of the bidders, the local agency may reject all bids received, if any, and either readvertise or sell such bonds at private sale.

SEC. 2. Section 53573 of the Government Code is amended to read:

53573. Before selling any refunding bonds subject to the provisions of this article, any local agency shall advertise such bonds for sale at public sale and shall invite sealed bids therefor by publication of a notice once at least 10 days before the date of such public sale in a newspaper of general circulation circulated within the boundaries of each local agency to be aided by the public project to be financed by the issuance of such bonds; provided that, if an issue of bonds is less than five hundred thousand dollars ($500,000), a local agency is not required to advertise such bonds for public sale or accept bids thereon pursuant to this section. If one or more satisfactory bids are received pursuant to such notice, such bonds shall be awarded to the highest responsible bidder. If no bids are received or if the local agency determines that the bids received are not satisfactory as to price or responsibility of the bidders, the local agency may reject all bids received, if any, and either readvertise or sell such bonds at private sale.

SEC. 3. The amendment of Sections 53569 and 53573 of the Government Code made by this act does not constitute a change in, but is declaratory of, the existing law.

CHAPTER 248

An act to add Section 10235 to, to repeal Section 60 of, and to repeal and add Division 4 (commencing with Section 3500) of, the Elections Code, relating to elections.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976]

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

SECTION 1. Section 60 of the Elections Code is repealed.

SEC. 2. Division 4 (commencing with Section 3500) of the Elections Code is repealed.

SEC. 3. Division 4 (commencing with Section 3500) is added to the Elections Code, to read·

DIVISION 4. MEASURES SUBMITTED TO THE VOTERS

CHAPTER 1. STATE ELECTIONS

Article 1. Initiative and Referendum Petitions

3500. This article applies only to initiative and referendum measures affecting the Constitution or laws of the state.

3501. The heading of a proposed initiative measure shall be in substantially the following form:

Initiative Measure to Be Submitted Directly to the Voters

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

To the Honorable Secretary of State of California

We, the undersigned, registered, qualified voters of California, residents of _____ County (or City and County), hereby propose amendments to the Constitution of California (the _____ Code, relating to _____) and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to that general election or otherwise provided by law. The proposed constitutional (or statutory) amendments (full title and text of the measure) read as follows:

3502. Prior to the circulation of any initiative or referendum petition for signatures, a draft of the petition shall be submitted to the Attorney General with a written request that a title and summary of the chief purpose and points of the proposed measure be prepared. The title and summary shall not exceed a total of 100 words.

The persons presenting the request shall be known as the "proponents".

The Attorney General shall preserve the written request until after the next general election.

3503. Upon receipt of a draft of a petition, the Attorney General shall prepare a summary of the chief purposes and points of the proposed measure. The summary shall be prepared in the manner provided for the preparation of ballot titles in Article 5 (commencing at Section 3530) of this chapter, the provisions of which in regard to the preparation, filing, and settlement of titles and summaries are hereby made applicable to the summary.

The proponents of any initiative measure shall, at the time of

submitting the draft of the measure to the Attorney General, pay a fee of two hundred dollars ($200), the fee to be placed in a trust fund in the office of the State Treasurer to be refunded to the proponents if, within two years from the date the summary is furnished to the proponents, the measure qualifies for the ballot. If the measure does not qualify within that period, the fee shall be immediately paid into the General Fund of the state.

3504. Notwithstanding the provisions of Section 3503, the Attorney General, in preparing a title or summary for an initiative measure, the substance of which if adopted would affect the revenues or expenditures of the state or local government, shall state in the title the amount of any increase or decrease in revenue or costs to the state or local government if the proposed initiative is adopted.

Such estimates as required by this section shall be made jointly by the Department of Finance and Joint Legislative Budget Committee, who shall inform the Attorney General so that this estimate may be included in the prepared title.

A fiscal estimate is not required if in the opinion of both the Department of Finance and the Joint Legislative Budget Committee a reasonable estimate of the net impact of the proposed initiative cannot be prepared within 25 days from the date of receipt of the final version of the proposed initiative by the Attorney General. The Department of Finance and the Joint Legislative Budget Committee, however, shall give their opinion as to whether or not a substantial net change in state or local finances would result if the proposed initiative is adopted.

Any statement of fiscal impact prepared by the Legislative Analyst pursuant to subdivision (b) of Section 12172 of the Government Code may be used by the Department of Finance and the Joint Legislative Budget Committee in the preparation of the fiscal estimate or the opinion.

3505. If for any reason any initiative or referendum measure, proposed by petition as provided by this article, is not submitted to the voters at the next succeeding statewide election, such failure shall not prevent its submission at a succeeding statewide election.

3506. Immediately upon the preparation of the summary of an initiative or referendum petition, the Attorney General shall forthwith transmit copies of the text of the measure and summary to the Senate and Assembly. The appropriate committees of each house may hold public hearings on the subject of the measure; provided, that nothing in this section shall be construed as authority for the Legislature to alter the measure or prevent it from appearing on the ballot.

3507. The proponents of any proposed initiative measure shall, prior to its circulation, place upon each section of the petition, above the text of the measure and across the top of each page of the petition on which signatures are to appear, in roman boldface type not smaller than 12-point, the summary prepared by the Attorney General. A space at least one inch wide shall be left blank after each

name, for the use of the clerk, in verifying the petition.

3508. All such initiative petitions shall have printed across the top thereof in 12-point boldface type the following: "Initiative measure to be submitted directly to the voters."

3509. Across the top of each page of a referendum petition, there shall be printed in 12-point boldface type the following:

"Referendum Against an Act Passed by the Legislature."

3510. Across the top of each page after the first page of every referendum petition or section of a referendum petition, which is prepared and circulated, there shall be printed in 18-point gothic type a short title, in not to exceed 20 words, showing the nature of the petition and the subject to which it relates.

A space at least one inch wide shall be left blank after each name, for the use of the clerk, in verifying the petition.

3511. Officers required by law to receive or file in their offices any initiative or referendum petition shall not receive or file any initiative or referendum petition which does not conform with the provisions of this article.

3512. Officers required by law to receive or file in their offices any initiative or referendum petition shall preserve the petition until eight months after the certification of the results of the election for which the petition qualified or attempted to qualify for placement on the ballot. Thereafter, the petition shall be destroyed as soon as practicable unless it is in evidence in some action or proceeding then pending or unless the officer has received a written request from the Attorney General, the Secretary of State, a district attorney, a grand jury, or the governing body of a county, city and county, or district, including a school district, that the petition be preserved for use in a pending or ongoing investigation into election irregularities, the subject of which relates to the petition's qualification or disqualification for placement on the ballot.

3513. The date a summary of a proposed initiative measure is delivered or mailed by the Attorney General to the proponents is designated the "official summary date" for the proposed initiative measure. The Attorney General shall immediately notify the Secretary of State of that date and send the Secretary of State a copy of the summary. The Secretary of State immediately shall notify the proponents and county clerk of each county of the official summary date and mail a copy of the summary to each county clerk. This notification shall also include a complete schedule showing the maximum filing deadline, and the certification deadline by the counties to the Secretary of State.

No petitions for a proposed initiative measure shall be circulated for signatures prior to the official summary date. Petitions with signatures on a proposed initiative measure shall be filed with the county clerk not later than 150 days from the official summary date, and no county clerk shall accept petitions on the proposed initiative measure after that period.

3514. Notwithstanding any other provision of law, no initiative

shall be placed on a statewide special election ballot which qualifies less than 131 days before the date of the election.

3515. Any initiative or referendum petition may be presented in sections, but each section shall contain a full and correct copy of the title and text of the proposed measure.

Article 2. Petition Signatures

3516. The petition sections shall be designed so that each signer shall personally affix his or her:

(a) Signature;

(b) Printed name;

(c) Residence address, giving street and number, or if no street or number exists, adequate designation of residence so that the location may be readily ascertained; and

(d) Name of incorporated city or unincorporated community.

Only a person who is a qualified registered voter at the time of signing the petition is entitled to sign it.

The number of signatures attached to each section shall be at the pleasure of the person soliciting the signatures.

3517. Any qualified registered voter may circulate an initiative, referendum or recall petition within the county or city and county in which the solicitor is a registered voter. Each section of the petition shall bear the name of the county or city and county in which it is circulated. Only qualified registered voters of that county or city and county shall sign such section.

Any circulator may sign the section he or she is circulating as provided in Section 58.

3519. Each section shall have attached thereto the affidavit of the person soliciting the signatures stating:

(a) The qualifications of the solicitor.

(b) That all the signatures affixed to the section were made in his or her presence.

(c) That to the best of his or her knowledge and belief, each signature is the genuine signature of the person whose name it purports to be.

(d) The dates between which all signatures were obtained.

No other affidavit thereto shall be required.

The affidavit shall be verified free of charge by any officer authorized to administer oaths.

Petitions so verified shall be prima facie evidence that the signatures thereon are genuine and that the persons signing are qualified voters. Unless and until it be otherwise proven upon official investigation, it shall be presumed that the petition presented contains the signatures of the requisite number of qualified voters.

Article 3. Filing Petitions

3520. (a) Each section of the petition shall be filed with the clerk or registrar of voters of the county or city and county in which it was circulated but all sections circulated in any county or city and county shall be filed at the same time.

(b) Within five days, excluding Saturdays, Sundays, and holidays, after the filing of such petition the clerk or registrar of voters shall determine the total number of signatures affixed to the petition and shall transmit such information to the Secretary of State. If the total number of signatures filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient, the Secretary of State shall so notify the proponents and the county clerks and no further action shall be taken in regard to the petition.

(c) If the number of signatures filed with all county clerks is 100 percent or more of the number of qualified voters needed to declare the petition sufficient, the Secretary of State shall immediately so notify the county clerks.

(d) Within 15 days after such notification, the clerk or registrar of voters shall determine the number of qualified voters who have signed the petition. If more than 500 names have been signed on sections of the petition filed with a county clerk, the clerk shall use a random sampling technique for verification of signatures, as determined by the Secretary of State. The random sample of signatures to be verified shall be drawn in such a manner that every signature filed with the county clerk shall be given an equal opportunity to be included in the sample. Such a random sampling shall include an examination of at least 500 or 5 percent of the signatures, whichever is greater. In determining from the records of registration what number of qualified voters have signed the petition, the clerk or registrar of voters may use the duplicate file of affidavits of registered voters or the facsimiles of voter's signatures, provided that the method of preparing and displaying the facsimiles complies with law.

(e) The clerk or registrar, upon the completion of the examination, shall immediately attach to the petition, except the signatures thereto appended, a certificate properly dated, showing the result of such examination and shall immediately transmit the petition, together with the certificate, to the Secretary of State. A copy of this certificate shall be filed in the clerk's office.

(f) If the certificates received from all county clerks by the Secretary of State establish that the petition has been found insufficient, the Secretary of State shall immediately so notify the proponents and the county clerks.

3521. If the statistical sampling shows that the number of valid signatures is within 90 to 110 percent of the number of signatures of qualified voters needed to declare the petition sufficient, the Secretary of State shall order the examination and verification of

each signature filed and shall so notify the county clerks.

(b) Within 30 days after receipt of such order, the clerk or registrar of voters shall determine from the records of registration what number of qualified voters have signed the petition and if necessary the board of supervisors shall allow the clerk or registrar additional assistance for the purpose of examining the petition and provide for their compensation. In determining from the records of registration what number of qualified voters have signed the petition, the clerk or registrar of voters may use any file or list of registered voters maintained by his office or the facsimiles of voter's signatures, provided that the method of preparing and displaying the facsimiles complies with law.

(c) The clerk or registrar, upon the completion of the examination, shall immediately attach to the petition, except the signatures thereto appended, an amended certificate properly dated, showing the result of the examination and shall immediately transmit the petition, together with the amended certificate, to the Secretary of State. A copy of the amended certificate shall be filed in the clerk's office.

(d) If the amended certificates received from all county clerks by the Secretary of State establish that the petition has still been found insufficient, the Secretary of State shall immediately so notify the proponents and the county clerks.

3522. The right to file the petition shall be reserved to its proponents, and any section thereof presented for filing by any person or persons other than the proponents of a measure or by persons duly authorized in writing by the proponents shall be disregarded by the county clerk or registrar of voters.

3523. When the Secretary of State shall have received from one or more clerks or registrars a petition certified as herein provided to have been signed by the requisite number of qualified voters, the Secretary of State shall forthwith notify the proponents and immediately transmit to the clerk or registrar of voters of every county or city and county in the state, a certificate showing this fact so that signature verification can be terminated. A petition shall be deemed to be filed with the Secretary of State upon the date of the receipt by the Secretary of State of a certificate or certificates showing the petition to be signed by the requisite number of voters of the state. Any clerk or registrar of voters shall, upon receipt of such copy, file the notification for record in that office. The duties imposed by this article upon the clerk or registrar of voters shall be performed by the registrar of voters in all instances where the office of registrar of voters exists.

Article 4. Measures Proposed by the Legislature

3525. Every measure submitted to the people by the Legislature shall appear on the ballot of the first statewide election occurring after 131 days after the adoption of the proposal by the Legislature.

3526. Whenever the Legislature submits any measure to the voters of the state, the author of the measure and two persons appointed by the author may draft an argument for the adoption of the measure. This argument shall not exceed 500 words in length.

If the author of the measure desires separate arguments to be written in its favor by each person appointed, separate arguments may be written, but the combined length of the arguments shall not exceed 500 words.

3527. If a measure submitted to the voters by the Legislature was not adopted unanimously, one member of each house who voted against it shall be appointed by the presiding officers of the respective houses, at the same time as appointments to draft an argument in its favor are made, to write an argument against the measure. The argument shall not exceed 500 words.

If those members appointed to write an argument against the measure so choose, each may write a separate argument opposing it, but the combined length of the two arguments shall not exceed 500 words.

3528. Arguments prepared by legislators and their appointees shall be submitted to the Secretary of State no later than a date to be designated by the Secretary of State. The arguments may not be amended or changed after submission.

3529. If an argument for or an argument against a measure submitted to the voters by the Legislature has not been filed by a Member of the Legislature, any voter may request the Secretary of State for permission to prepare and file an argument for either side on which no argument has been prepared by a Member of the Legislature. The Secretary of State shall grant permission unless two or more voters request permission to submit arguments on the same side of a measure, in which event the Secretary of State shall designate one of the voters to write the argument. Any argument prepared pursuant to this section shall be submitted to the Secretary of State by a date sufficient to meet ballot printing deadlines.

Article 5. Ballot Titles

3530. The Attorney General shall provide and return to the Secretary of State a ballot title for each measure submitted to the voters of the whole state.

3531. Any person who is interested in any proposed measure may at any time, prior to 150 days before the election at which the measure is to be voted upon, file a copy of it with the Secretary of State, together with a request that a ballot title be prepared for it. This request shall be accompanied by the address of the person or association of persons proposing the measure. The Secretary of State shall immediately transmit a copy of the measure to the Attorney General. Within 10 days after it is filed, the Attorney General shall provide and return to the Secretary of State a ballot title for the measure. The ballot title may differ from the legislative or other title

of the measure and shall express in not exceeding 100 words the purpose of the measure. In providing the ballot title, the Attorney General shall give a true and impartial statement of the purpose of the measure in such language that the ballot title shall not be an argument or likely to create prejudice either for or against the measure.

3532. Immediately upon receipt of the ballot title prepared by the Attorney General, the Secretary of State shall mail to all persons who may have requested the preparation of that ballot title, a notice addressed to them at the address accompanying the request, stating that the Attorney General has made and returned the ballot title. The notice shall also contain a copy of the ballot title prepared by the Attorney General.

3533. Each measure shall be designated on the ballot by the ballot title certified to the Secretary of State by the Attorney General.

Article 6. Arguments Concerning Measures Submitted to Voters

3559. In case either the argument for or the argument against any measure placed on the ballot is not prepared and filed, the Secretary of State shall, by a general press release, request voters to submit arguments.

3560. The press release shall be mailed at least 100 days prior to the date of the election at which a measure is to be voted upon.

3561. The press release shall consist of an announcement containing:

(a) A summary of the essential nature or purpose of the measure for or against which no argument has been prepared or filed.

(b) A statement as to whether the affirmative, negative or both arguments have not been filed.

(c) An invitation to any voter or group of voters to submit and file with the Secretary of State, within the time limit, arguments for or against the measure as to which affirmative or negative arguments have not been filed.

3562. The summary of a measure given in the press release shall be the official summary which has been prepared by the Attorney General. The Legislative Counsel Bureau shall prepare the summary on all other measures.

3563. Any voter or group of voters may, at any time within the time limit, prepare and file with the Secretary of State an argument for or against any measure as to which arguments have not been prepared or filed. The argument shall not exceed 500 words in length.

3564. A ballot argument shall not be accepted under this article unless accompanied by the name and address or names and addresses of the person or persons submitting it, or, if submitted on behalf of an organization, the name and address of the organization and the names and addresses of at least two of its principal officers.

3565. If more than one argument for or more than one argument

against any measure is filed within the time prescribed, the Secretary of State shall select one of the arguments for printing in the ballot pamphlets. In selecting the argument the Secretary of State shall give preference and priority in the order named to the arguments of the following:

(a) In the case of a measure submitted by the Legislature, Members of the Legislature.

(b) In the case of an initiative or referendum measure, the proponent of the petition.

(c) Bona fide associations of citizens.

(d) Individual voters.

3566. No more than three signatures shall appear with any argument printed in the ballot pamphlet. In case any argument is signed by more than three persons the signatures of the first three shall be printed.

3567. When the Secretary of State has received the arguments which will be printed in the ballot pamphlet, the Secretary of State shall, within five days of receipt thereof, send copies of the arguments in favor of the proposition to the authors of the arguments against and copies of the arguments against to the authors of the arguments in favor. The authors may prepare and submit rebuttal arguments not exceeding 250 words. In the case of measures submitted by the Legislature, the rebuttal arguments must be filed with the Secretary of State no later than a date to be designated by the Secretary of State. In the case of initiative or referendum measures, the rebuttal arguments must be filed with the Secretary of State not less than 105 days prior to the election in which the measure will appear.

Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

Article 7. Ballot Pamphlet

3567.5. The provisions of Sections 3570 to 3577, inclusive, are a restatement of, and shall be construed in conformity with, Sections 88001 to 88007, inclusive, of the Government Code.

3568. There shall be a state ballot pamphlet which shall be prepared by the Secretary of State.

3569. The Secretary of State shall cause to be printed as many ballot pamphlets as needed to comply with the provisions of this code.

The ballot pamphlets shall be printed in the Office of State Printing unless the Director of General Services determines that the printing of the pamphlets in the Office of State Printing cannot be done adequately, competently, or satisfactorily, in which case the Secretary of State, subject to the approval of the Director of General Services, shall contract with a private printing concern for the printing of all or a part of the pamphlets.

Copy for preparation of the ballot pamphlets shall be furnished to the Office of State Printing at least 40 days prior to the date for required delivery to the county clerks as provided in Section 3578.

3570. The ballot pamphlet shall contain

(a) A complete copy of each state measure;

(b) A copy of the specific constitutional or statutory provision, if any, which would be repealed or revised by each state measure;

(c) A copy of the arguments and rebuttals for and against each state measure;

(d) A copy of the analysis of each state measure;

(e) Tables of contents, indexes, art work, graphics and other materials which the Secretary of State determines will make the ballot pamphlet easier to understand or more useful for the average voter.

3571. The ballot pamphlet shall contain as to each state measure to be voted upon, the following in the order set forth in this section:

(a) Upon the top portion of the first page and not exceeding one-third of the page shall appear:

(i) The identification of the measure by number and title.

(ii) The official summary prepared by the Attorney General.

(iii) The total number of votes cast for and against the measure in both the State Senate and Assembly if the measure was passed by the Legislature.

(b) Upon the lower portion of the first left page and upon the top half of the right page, if necessary, shall appear the analysis prepared by the Legislative Analyst.

(c) If arguments for and against the measure have been submitted, then the text of the measure shall appear on the right page facing the analysis. If the text does not fit on this page, it shall be continued in the back of the pamphlet. Arguments for and against the measure shall be placed on the next left and right pages respectively. The rebuttals shall be placed immediately below the arguments.

(d) If no argument against the measure has been submitted, the argument for the measure shall appear on the right page facing the analysis. The text of the measure shall be printed in the back of the pamphlet.

(e) The text of the measure shall contain the provisions of the proposed measure and the existing provisions of law repealed or revised by the measure. The provisions of the proposed measure differing from the existing provisions of law affected shall be distinguished in print, so as to facilitate comparison.

(f) The following statement shall be printed at the bottom of each page where arguments appear: "Arguments printed on this page are the opinions of the authors and have not been checked for accuracy by any official agency."

3572. The Legislative Analyst shall prepare an impartial analysis of the measure describing the measure and including a fiscal analysis of the measure showing the amount of any increase or decrease in

revenue or cost to state or local government. Any estimate of increased cost to local governments shall be set out in boldface print in the ballot pamphlet. The analysis shall be written in clear and concise terms which will easily be understood by the average voter, and shall avoid the use of technical terms wherever possible. The analysis may contain background information, including the effect of the measure on existing law and the effect of enacted legislation which will become effective if the measure is adopted, and shall generally set forth in an impartial manner the information which the average voter needs to understand the measure adequately. The Legislative Analyst may contract with professional writers, educational specialists or other persons for assistance in writing an analysis that fulfills the requirements of this section, including the requirement that the analysis be written so that it will be easily understood by the average voter. The Legislative Analyst may also request the assistance of any state department, agency, or official in preparing his analysis. The title of the measure which appears on the ballot shall be amended to contain a summary of the Legislative Analyst's estimate of the net state and local government financial impact.

3573. Measures shall be printed in the ballot pamphlet, so far as possible, in the same order, manner and form in which they are designated upon the ballot.

3574. The ballot pamphlet shall be printed according to the following specifications:

(a) The pages of the pamphlet shall be not smaller than 8½ x 11 inches in size;

(b) It shall be printed in clear readable type, no less than 10-point, except that the text of any measure may be set forth in eight-point type;

(c) It shall be printed on a quality and weight of paper which in the judgment of the Secretary of State best serves the voters;

(d) The pamphlet shall contain a certificate of correctness by the Secretary of State.

3575. The Legislative Counsel shall prepare and proofread the texts of all measures and the provisions which are repealed or revised.

3576. Not less than 20 days before he submits the copy for the ballot pamphlet to the State Printer, the Secretary of State shall make such copy available for public examination. Any voter may seek a writ of mandate requiring any such copy to be amended or deleted from the ballot pamphlet. A peremptory writ of mandate shall issue only upon clear and convincing proof that the copy in question is false, misleading or inconsistent with the requirements of this code or Chapter 8 (commencing with Section 88000) of Title 9 of the Government Code, and that issuance of the writ will not substantially interfere with the printing and distribution of the ballot pamphlet as required by law. Venue for a proceeding under this section shall be exclusively in Sacramento County. The Secretary of State shall be

named as the respondent and the State Printer and the person or official who authored the copy in question shall be named as real parties in interest. If the proceeding is initiated by the Secretary of State, the State Printer shall be named as the respondent.

3577. Notwithstanding the provisions of Section 81012 of the Government Code, the Legislature may without restriction amend this article to add to the ballot pamphlet information regarding candidates or any other information.

3578. The Secretary of State shall furnish each county clerk with as many copies of the ballot pamphlets as needed to comply with the provisions of this code. The ballot pamphlets shall be furnished not less than 45 days before the election at which the measures contained in the ballot pamphlets are to be voted on. The county clerk shall mail one copy of the ballot pamphlet to each voter registered prior to the 53rd day before the election not more than 40 nor less than 21 days before the day fixed by law for the election, and no other official publication of such measures shall be made. The mailing of the ballot pamphlets to those voters who register between the 54th and 29th day shall be completed at least 10 whole days before the election. Three copies, to be supplied by the Secretary of State, shall be kept at every polling place, while an election is in progress, so that they may be freely consulted by the voters.

3579. As soon as copies of the ballot pamphlet are available, the Secretary of State shall immediately mail the following number of copies to the listed persons and places:

(a) Five copies to each county clerk or registrar of voters;

(b) Six copies to each city clerk;

(c) Five copies to each Member of the Legislature; and

(d) Five copies to the proponents of each ballot measure.

The Secretary of State shall also mail:

(a) Two copies to each public library and branch thereof.

(b) Two copies to each public high school or other public school teaching at least the 11th and 12th grades.

Upon request, and in the discretion of the Secretary of State, additional copies may be furnished to these persons and institutions.

CHAPTER 2. COUNTY ELECTIONS

Article 1. Initiative

3700. In addition to any other method provided by law, ordinances may be enacted by any county pursuant to this article.

3701. Any proposed ordinance may be submitted to the board of supervisors by filing an initiative petition with the county clerk, signed by not less than the number of voters specified in this article.

The petition sections shall be designed as set forth in Section 3516.

The affidavit to be completed by the circulator, shall be substantially in the same form as set forth in Section 3519.

3702. (a) Before circulating any initiative petition in a county, or

any petition relating to the annexation of territory by a county, the consolidation of counties, or the dissolution of a county, its proponents shall publish a notice of intention so to do. The notice shall be accompanied by a printed statement, not exceeding 500 words in length, stating the reasons for the proposed petition.

(b) The notice and statement prescribed in subdivision (a) shall be published at least once in a newspaper of general circulation published in that county.

3703. Within 10 days after the date of the publishing of the notice and statement, the proponents shall file a copy of the notice, statement, and an affidavit of the publishing thereof with the county clerk.

3704. Twenty-one days after the publication of the notice and statement, the petition may be circulated among the voters of the county. The petition shall bear a copy of the printed notice of intention and accompanying statement.

3705. Signatures shall be secured and the petition shall be presented to the county clerk for filing within 180 days from the date of the first publication of the notice of intention.

3706. The petition shall be filed by the proponents, or by any person or persons authorized, in writing, by the proponents. All sections of the petition shall be filed at one time.

When the petition is presented for filing, the clerk shall determine the total number of signatures affixed to the petition. If from this examination, the clerk determines that the number of signatures, prima facie, equals or is in excess of the minimum number of signatures required, the clerk shall accept the petition for filing. The petition shall be deemed as filed on that date. Any sections of the petition, not so filed, shall be void for all purposes.

3707. Except as provided in Section 3708, within 30 days from the date of filing of the petition, the clerk shall examine the petition, and from the records of registration ascertain whether or not the petition is signed by the requisite number of voters. A certificate showing the results of this examination shall be attached to the petition.

In determining the number of valid signatures, the clerk may use the duplicate file of affidavits maintained, or may check the signatures against facsimiles of voters' signatures, provided that the method of preparing and displaying the facsimiles complies with law.

The clerk shall notify the proponents of the petition as to the sufficiency or insufficiency of the petition.

If the petition is found insufficient, no further action shall be taken. However, the failure to secure sufficient signatures, shall not preclude the filing of a new petition on the same subject, at a later date.

If the petition is found sufficient, the clerk shall certify the results of the examination to the board of supervisors at the next regular meeting of the board.

3708. (a) Within 30 days from the date of filing of the petition, if, from the examination of petitions pursuant to Section 3707, more

than 500 signatures have been signed on the petition, the clerk may use a random sampling technique for verification of signatures. The random sample of signatures to be verified shall be drawn in such a manner that every signature filed with the clerk shall be given an equal opportunity to be included in the sample. Such a random sampling shall include an examination of at least 500 or 5 percent of the signatures, whichever is greater.

(b) If the statistical sampling shows that the number of valid signatures is within 90 to 110 percent of the number of signatures of qualified voters needed to declare the petition sufficient, the clerk shall examine and verify each signature filed.

(c) In determining from the records of registration, what number of valid signatures are signed on the petition, the clerk may use the duplicate file of affidavits maintained, or may check the signatures against facsimiles of voters' signatures, provided that the method of preparing and displaying the facsimiles complies with law.

(d) The clerk shall attach to the petition, a certificate showing the result of this examination, and shall notify the proponents of either the sufficiency or insufficiency of the petition.

(e) If the petition is found insufficient, no action shall be taken on the petition. However, the failure to secure sufficient signatures shall not preclude the filing later of an entirely new petition to the same effect.

(f) If the petition is found to be sufficient, the clerk shall certify the results of the examination to the board of supervisors at the next regular meeting of the board.

3709. If the initiative petition issigned by voters not less in number than 20 percent of the entire vote cast within the county for all candidates for Governor at the last gubernatorial election, and contains a request that the ordinance be submitted immediately to a vote of the people at a special election, the board of supervisors shall either:

(a) Pass the ordinance without alteration at the regular meeting at which it is presented and within 10 days after it is presented.

(b) Immediately call a special election at which the ordinance, without alteration, shall be submitted to a vote of the voters of the county.

3710. When it is legally possible to hold a special election under this article within six months prior to a regular election, the board of supervisors may submit the proposed ordinance at that regular election instead of at a special election.

In all other cases the board of supervisors shall call a special election to be held not less than 60 nor more than 120 days after the date of the presentation of the proposed ordinance to it. However, to avoid holding more than one election within any six months, the date for holding the special election may be fixed later than 120 days after the date of the presentation of the proposed ordinance to the board, but at as early a date as practicable after the expiration of the six months.

Not more than one special election may be held pursuant to this article during any period of six months.

3711. If the initiative petition is signed by voters not less in number than 10 percent of the entire vote cast in the county for all candidates for Governor at the last gubernatorial election, and the ordinance petitioned for is not required to be, or for any reason is not, submitted to the voters at a special election, and is not passed without change by the board of supervisors, the ordinance, without alteration, shall be submitted by the board to the voters at the next statewide election.

3712. The board of supervisors shall give notice of an election held pursuant to this article by publication in the same manner as prescribed for the publication of the list, or portions of the list, designating polling places for a statewide election.

3713. Whenever any ordinance is required by this article to be submitted to the voters of a county at any election, the county clerk shall cause the ordinance to be printed. A printed copy of the ordinance shall be mailed with a sample ballot, to each voter, at least 10 days prior to the election.

The county clerk may include in such mailing, as official matter, the provisions of the proposed ordinance, showing therein the difference from existing provisions of law, by the use of distinguishing type styles.

3714. The persons filing an initiative petition pursuant to this article may file with the petition a written argument in favor of the ordinance. The board of supervisors may submit an argument against the ordinance. Neither argument shall exceed 300 words in length.

The county clerk shall cause an argument for the measure, if submitted, and an argument against the measure, if submitted, to be printed and shall enclose a copy of both arguments, printed on the same sheet of paper, in an envelope with each sample ballot. Such printed arguments are "official matter" within the meaning of those words used in Section 10012.

The following statement shall be printed on the front cover or, if none, on the heading of the first page of the printed arguments:

"Arguments in support of or in opposition to the proposed laws are the opinions of the authors."

3715. Any number of proposed ordinances may be voted upon at the same election.

3716. If a majority of the voters voting on a proposed ordinance vote in its favor, the ordinance shall become a valid and binding ordinance of the county. The ordinance shall be considered as adopted upon the date the vote is declared by the board of supervisors, and shall go into effect 10 days after that date.

3717. If the provisions of two or more ordinances adopted at the same election conflict, the ordinance receiving the highest number of affirmative votes shall control.

3718. The enacting clause of an ordinance submitted to the voters of a county shall be substantially in the following form:

"The people of the County of _____ do ordain as follows:"

3719. No ordinance proposed by initiative petition and adopted either by the board of supervisors without submission to the voters or adopted by the voters shall be repealed or amended except by a vote of the people, unless provision is otherwise made in the original ordinance. In all other respects, an ordinance proposed by initiative petition and adopted shall have the same force and effect as any ordinance adopted by the board of supervisors.

3720. This article does not apply to any statewide initiative measure.

Article 2. Referendum

3750. The board of supervisors may submit to the voters, without a petition, an ordinance for the repeal, amendment, or enactment of any ordinance. The ordinance shall be voted upon at any succeeding regular or special election and, if it receives a majority of the votes cast, the ordinance shall be repealed, amended, or enacted accordingly.

3751. Except an ordinance granting a franchise, the following ordinances shall take effect immediately:

(a) Those calling or otherwise relating to an election.

(b) Those specifically required by law to take immediate effect.

(c) Those fixing the amount of money to be raised by taxation or the rate of taxes to be levied.

(d) Those for the immediate preservation of the public peace, health, or safety. The ordinances referred to in this subdivision shall contain a declaration of the facts constituting the necessity and shall be passed by a four-fifths vote of the board of supervisors.

All other ordinances, including ordinances granting a franchise, shall become effective 30 days from the date of final passage.

3752. Notwithstanding the provisions of Section 3751, that portion of any ordinance which changes supervisorial salaries shall become effective 60 days from the date of its final passage.

3753. If a petition protesting against the adoption of an ordinance is presented to the board of supervisors prior to the effective date of the ordinance, the ordinance shall be suspended and the supervisors shall reconsider the ordinance. The petition shall be signed by voters of the county equal in number to at least 10 percent of the entire vote cast within the county for all candidates for Governor at the last gubernatorial election.

3754. If the board of supervisors does not entirely repeal the ordinance against which a petition is filed, the board shall submit the ordinance to the voters either at a regular election or a special election called for the purpose. The ordinance shall not become effective unless and until a majority of the voters vote in favor of it.

3755. The provisions of this code relating to the form of petitions, the duties of the county clerk, and the manner of holding elections, when an ordinance is proposed by initiative petition, govern the

procedure on ordinances against which a protest is filed.

3756. An initiative or referendum petition received or filed in the office of the county clerk shall be preserved until eight months after the certification of the results of the election for which the petition qualified or attempted to qualify for placement on the ballot. Public access to any such petition shall be restricted in accordance with the provisions of Section 6253.5 of the Government Code. At the end of the eight-monthperiod, the petition shall be destroyed as soon as practicable unless it is in evidence in some action or proceeding then pending, or unless the clerk has received a written request from the Attorney General, the Secretary of State, a district attorney, a grand jury, or the governing body of a county, city and county, or district, including a school district, that the petition be preserved for use in a pending or ongoing investigation into election irregularities.

Article 3. Arguments Concerning County Measures

3780. As used in this article, "county measure" includes any proposed county charter, any proposed amendment to a county charter, any proposition for the issuance of funding or refunding bonds of the county, any other question or proposition submitted to the voters of a county at any election held throughout an entire single county, or any bond proposal submitted to the voters of any public district although the boundaries of the district may be coterminous with those of the county.

3781. Whenever any county measure qualifies for a place on the ballot, the county clerk shall transmit a copy of the measure to the county counsel or to the district attorney in any county which has no county counsel. The county counsel or district attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The analysis shall be printed preceding the arguments for and against the measure. The analysis shall not exceed 500 words in length.

3782. If there is no other method provided by law, arguments for and against any county measure may be submitted to the qualified voters of the county pursuant to this article. If a method is otherwise provided by law for submitting such arguments as to a particular kind of county measure, that method shall control.

3783. The board of supervisors or any member or members of the board authorized by the board, or any individual voter or bona fide association of citizens, or any combination of such voters and associations may file a written argument for or against any county measure. No argument shall exceed 300 words in length. The county clerk shall cause an argument for and an argument against the measure, and the analysis of the measure, to be printed, and shall enclose a copy of both arguments preceded by the analysis with each sample ballot. The printed arguments and the analysis are "official matter" within the meaning of those words used in Section 10010.

The following statement shall be printed on the front cover, or if

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none, on the heading of the first page, of the printed arguments:

"Arguments in support of or in opposition to the proposed laws are the opinions of the authors".

3784. Based on the time reasonably necessary to prepare and print the arguments, analysis, and sample ballots for the particular election, the county clerk shall fix and determine a reasonable date prior to the election after which no arguments for or against any county measure may be submitted for printing and distribution to the voters as provided in this article. Notice of the date fixed shall be published by the county clerk pursuant to Section 6061 of the Government Code. Arguments may be changed until and including the date fixed by the county clerk.

3785. A ballot argument shall not be accepted under this article unless accompanied by the name or names of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the name of at least one of its principal officers.

No more than five signatures shall appear with any argument submitted under this article. In case any argument is signed by more than five persons the signatures of the first five shall be printed.

3786. If more than one argument for or more than one argument against any county measure is submitted to the county clerk within the time prescribed, the county clerk shall select one of the arguments in favor and one of the arguments against the measure for printing and distribution to the voters. In selecting the argument the county clerk shall give preference and priority in the order named to the arguments of the following:

(a) The board of supervisors or member or members of the board authorized by the board.

(b) The individual voter or bona fide association of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure.

(c) Bona fide associations of citizens.

(d) Individual voters.

3787. When the county clerk has selected the arguments for and against the measure which will be printed and distributed to the voters, the clerk shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The authors may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments must be filed with the county clerk not more than 10 days after the final date for filing direct arguments. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

3788. Notwithstanding any provision of law to the contrary, all of the provisions of this article shall apply to any district bond election called by, and the returns of which are canvassed by, the board of supervisors, or to any district bond election conducted by a district.

The provisions of this article shall also apply to any special election, if the board of supervisors so provides in its proclamation or notice thereof.

At any election subject to the provisions of this section:

(a) "County measure" shall be deemed to refer to any measure as defined in Section 42. Section 3780 shall not apply.

(b) Section 3781, and the reference to the analysis of the measure in Section 3783, shall not apply unless the board of supervisors directs such officer to prepare the analysis.

This article shall not apply to any school district bond election.

CHAPTER 3. MUNICIPAL ELECTIONS

Article 1. Initiative

4000. Ordinances may be enacted by and for any incorporated city pursuant to this article.

4001. Any proposed ordinance may be submitted to the legislative body of the city by a petition filed with the clerk of the legislative body, in the manner hereinafter prescribed, after being signed by not less than the number of voters specified in this article. The petition may be in separate sections, providing that the same complies with all of the requirements of this article. The first page of each section shall contain the title of the petition and the text of the measure. The petition sections shall be designated in the manner set forth in Section 3516.

4002. Before circulating an initiative petition in any city, or any petition relating to the annexation of territory by a city, the consolidation of cities, or the dissolution of a city, the proponents of such matter shall publish a notice of intention so to do, which notice shall be accompanied by a written statement not in excess of 500 words, setting forth the reasons for the proposed petition. The notice shall be signed by at least one, but not more than five, proponents and shall be in substantially the following form:

Notice of Intent to Circulate Petition

Notice is hereby given of the intention of the persons whose names appear hereon of their intention to circulate the petition within the City of _____ for the purpose of _____. A statement of the reasons of the proposed action as contemplated in said petition is as follows:

4003. A notice of intention and statement as referred to in Section 4002, shall be published or posted or both as follows:

(a) If there is a newspaper of general circulation, as described in Section 6000 et seq. of the Government Code, adjudicated as such, said notice and statement shall be published therein at least once; or

(b) If the petition is to be circulated in a city in which there is no adjudicated newspaper of general circulation, said notice and

statement shall be published at least once, in a newspaper circulated within the city and adjudicated as being of general circulation within the county in which the city is located and said notice and statement shall be posted in three (3) public places within the city, which public places shall be those utilized for the purpose of posting ordinances as required in Section 36933 of the Government Code; or

(c) If the petition is to be circulated in a city in which there is no adjudicated newspaper of general circulation, and there is no newspaper of general circulation adjudicated as such within the county, circulated within the city, then the said notice and statement shall be posted in the manner described in subdivision (b) of this section.

4004. Within 10 days after the date of publication or posting, or both, of the notice of intention and statement, the proponents shall file a copy of the notice and statement as published or posted, or both, together with an affidavit made by a representative of the newspaper in which the notice was published or, if the notice was posted, by a voter of the city, certifying to the fact of publication or posting.

Such affidavit, together with a copy of the notice of intention and statement, shall be filed with the clerk of the legislative body of the city.

4005. Twenty-one days after the publication or posting or both of the notice of intention and statement, the petition may be circulated among the voters of the city for signatures by any registered voter of the city. Each section of the petition shall bear a copy of the notice of intention and statement.

4006. Signatures upon petitions and sections thereof shall be secured, and the petition, together with all sections thereof, shall be filed within 180 days from the date of publication or posting or both of the notice of intention and statement, or in the case of a petition relating to the annexation of territory to the city, within 180 days of the date on which the first signature was affixed to said petition. If such petitions are not filed within the time permitted by this section, the same shall be void for all purposes.

4007. Each section shall have attached thereto the affidavit of the person soliciting the signatures. This affidavit shall be substantially in the same form as set forth in Section 3519.

4008. The petition shall be filed by the proponents or by any person or persons authorized in writing by the proponents. All sections of the petition shall be filed at one time.

When the petition is presented for filing, the clerk shall:

(a) Ascertain the number of registered voters of the city last officially reported to the Secretary of State by the county clerk and

(b) Determine the total number of signatures affixed to the petition. If, from this examination, the clerk determines that the number of signatures, prima facie, equals or is in excess of the minimum number of signatures required, the clerk shall accept the petition for filing. The petition shall be deemed as filed on that date.

Any sections of the petition not so filed shall be void for all purposes.

4009. After the petition has been filed, as herein provided, the clerk shall examine the petition in the same manner as are county petitions in accordance with Sections 3707 and 3708 except that, for the purposes of this section, references to the board of supervisors shall be treated as references to the legislative body of the city.

The petition shall be preserved by the city clerk in the same manner as are county measures as set forth in Section 3756.

4010. If the initiative petition is signed by not less than 15 percent of the voters of the city according to the county clerk's last official report of registration to the Secretary of State, or in a city with 1,000 or less registered voters the signatures of 25 percent of the voters or 100 voters of the city, whichever is the lesser number, and contains a request that the ordinance be submitted immediately to a vote of the people at a special election, the legislative body shall either:

(a) Introduce the ordinance without alteration at the regular meeting at which it is presented and adopt the ordinance within 10 days after it is presented; or

(b) Immediately order a special election, to be held not less than 74 nor more than 89 days after the date of the order, at which the ordinance, without alteration, shall be submitted to a vote of the voters of the city.

4011. If the initiative petition is signed by not less than 10 percent of the voters of the city according to the county clerk's last official report of registration to the Secretary of State, or in a city with 1,000 or less registered voters by the signatures of 25 percent of the voters or 100 voters of said city, whichever is the lesser number, and the ordinance petitioned for is not required to be, or for any reason is not, submitted to the voters at a special election, and is not passed without change by the legislative body, then the ordinance, without alteration, shall be submitted by the legislative body to the voters at the next regular municipal election occurring at least 45 days after the order of the legislative body.

4012. In cities having a mayor, or like officer, with the veto power, when the passage of an ordinance petitioned for by the voters is vetoed, the failure of the legislative body to pass the ordinance over the veto shall be deemed a refusal of the legislative body to pass the ordinance within the meaning of this article.

4013. If a majority of the voters voting on a proposed ordinance vote in its favor, the ordinance shall become a valid and binding ordinance of the city. The ordinance shall be considered as adopted upon the date that the vote is declared by the legislative body, and shall go into effect 10 days after that date. No ordinance proposed by initiative petition and adopted by the vote of the legislative body of the city without submission to the voters, or adopted by the voters, shall be repealed or amended except by a vote of the people, unless provision is otherwise made in the original ordinance.

4014. Any number of proposed ordinances may be voted upon at the same election, but the same subject matter shall not be voted

upon twice within any 12-month period at a special election under the provisions of this article.

4015. The persons filing an initiative petition pursuant to this article may file a written argument in favor of the ordinance, and the legislative body may submit an argument against the ordinance. Neither argument shall exceed 300 words in length, and both arguments shall be printed upon the same sheet of paper and mailed to each voter with the sample ballot for the election.

The following statement shall be printed on the front cover, or if none, on the heading of the first page, of the printed arguments:

"Arguments in support of or in opposition to the proposed laws are the opinions of the authors".

4016. If the provisions of two or more ordinances adopted at the same election conflict, the ordinance receiving the highest number of affirmative votes shall control.

4017. The legislative body of the city may submit to the voters, without a petition therefor, a proposition for the repeal, amendment, or enactment of any ordinance, to be voted upon at any succeeding regular or special city election, and if the proposition submitted receives a majority of the votes cast on it at the election, the ordinance shall be repealed, amended or enacted accordingly. A proposition may be submitted, or a special election may be called for the purpose of voting on a proposition, by ordinance or resolution.

4018. Whenever any ordinance or measure is required by this article to be submitted to the voters of a city at any election, the clerk of the legislative body shall cause the ordinance or measure to be printed. He shall mail a copy of the ordinance or measure with a sample ballot, to each voter at least 10 days prior to the election.

The legislative body may direct that its clerk include in such mailing, as official matter, the provisions of the proposed ordinance or measure, showing therein the difference from existing provisions of law, by the use of distinguishing type styles.

4019. The enacting clause of an ordinance submitted to the voters of a city shall be substantially in the following form:

"The people of the City of _____ do ordain as follows:".

4020. When a special election is to be called under this article, it shall be held not less than 74 nor more than 89 days after the date of the presentation of the proposed ordinance to the legislative body, and shall be held in accordance with the provisions of this code. To avoid holding more than one special election within any six months, the date for holding the special election may be fixed later than 89 days, but at as early a date as practicable after the expiration of six months from the last special election. When it is legally possible to hold a special election under this chapter within six months prior to a regular municipal election, the legislative body may submit the proposed ordinance at the regular election instead of at a special election.

4021. This article does not apply to any statewide initiative measure.

Article 2. Referendum

4050. No ordinance shall become effective until 30 days from and after the date of its final passage, except:

(a) An ordinance calling or otherwise relating to an election.

(b) An ordinance for the immediate preservation of the public peace, health or safety, which contains a declaration of, and the facts constituting, its urgency and is passed by a four-fifths vote of the city council.

(c) Ordinances relating to street improvement proceedings.

(d) Other ordinances governed by particular provisions of state law prescribing the manner of their passage and adoption.

4051. If a petition protesting against the adoption of an ordinance and circulated by any qualified registered voter of the city, is submitted to the clerk of the legislative body of the city within 30 days of the adoption of the ordinance, and is signed by not less than 10 percent of the voters of the city according to the county clerk's last official report of registration to the Secretary of State, or, in a city with 1,000 or less registered voters, is signed by not less than 25 percent of the voters or 100 voters of the city whichever is the lesser, the effective date of the ordinance shall be suspended, and the legislative body shall reconsider the ordinance.

4052. Each section shall have attached thereto the affidavit of the person soliciting the signatures. This affidavit shall be substantially in the same form as set forth in Section 3519.

4053. Petitions shall be accepted for filing by the clerk and the determination of the number of signatures thereon shall be made by the clerk in accordance with the provisions set forth in Section 4008.

4054. After the petition has been filed, as herein provided, the clerk shall examine the petition and certify the results in the same manner as are county petitions in Sections 3707 and 3708 except that, for the purposes of this section, references to the board of supervisors shall be treated as references to the legislative body of the city.

This petition shall be preserved by the city clerk in the same manner as are county measures as set forth in Section 3756.

4055. If the legislative body does not entirely repeal the ordinance against which the petition is filed, the legislative body shall submit the ordinance to the voters, either at a regular municipal election occurring at least 45 days after the order of the legislative body or at a special election called for the purpose and held not less than 74 nor more than 89 days after the date of the order. The ordinance shall not become effective until a majority of the voters voting on the ordinance vote in favor of it. If the legislative body repeals the ordinance or submits the ordinance to the voters and a majority of the voters voting on the ordinance do not vote in favor of it, the ordinance shall not again be enacted by the legislative body for a period of one year after the date of its repeal by the legislative body or disapproval by the voters.

4056. Signatures upon petitions, and sections thereof, shall be

secured, and the petition, together with all sections thereof, shall be filed within 30 days from the date of the adoption of the ordinance to which it relates. If such petitions are not filed within the time permitted by this section, the same shall be void for all purposes.

4057. Elections, pursuant to this article, shall be held in accordance with the provisions of Sections 4013 to 4020, inclusive.

4058. Whenever the legislative body of a city has voted in favor of the repeal of an ordinance protested against by the voters, as provided in this article, and the mayor, or like officer, has vetoed the repeal, the failure of the legislative body to pass the repeal over the veto shall be deemed a refusal to repeal the ordinance.

4059. If approval of an ordinance by the mayor or like officer is necessary, the date of approval shall be deemed the date of its final passage by the legislative body within the meaning of this article.

If an ordinance becomes law when the time for approval or veto has expired and no action has been taken, the date of the expiration of that time shall be deemed the date of its final passage by the legislative body within the meaning of this article.

4060. Any duty imposed in this chapter upon the legislative body of a city in regard to calling a municipal election, or in connection with an election called pursuant to this chapter, is likewise imposed upon any officer having any duty to perform connected with the election, so far as may be necessary to carry out the provisions of this chapter.

4061. This chapter does not apply to cities having a charter adopted under the provisions of Section 3 of Article XI of the Constitution, and having in such charter any provision for the direct initiation of ordinances by the voters; nor to proceedings had for the improvement of streets in or rights-of-way owned by cities, the opening or closing of streets, the changing of grades or the doing of other work, the cost of which or any portion of which is to be borne by special assessments upon real property.

Article 3. Freeholders' Charter Amendments

4080. This article is applicable only to amendments to freeholders' charters adopted pursuant to Section 3 of Article XI of the Constitution and Chapter 3 of Division 2 of Title 4, commencing at Section 34450 of the Government Code.

4081. The petition signed by voters proposing an amendment to a charter shall set forth in full the text of the proposed amendment.

4082. The petition may be circulated in sections but each section shall contain a correct copy of the text of the proposed amendment.

4083. Each signer of the petition shall sign it in the manner prescribed by Section 3516.

4084. The petition shall be in substantially the following form:

Petition for Submission to Voters of Proposed Amendment to the Charter of the City (or City and County) of _____

To the city council (or other legislative body) of the City (or City and County) of _____:

We, the undersigned, registered and qualified voters of the State of California, residents of the City (or City and County) of _____, pursuant to Section 3 of Article XI of the Constitution of this state and Chapter 3 of Division 2 of Title 4, commencing at Section 34450 of the Government Code, present to the city council (or other legislative body) of the city (or city and county) this petition and request that the following proposed amendment to the charter of the city (or city and county) be submitted to the registered and qualified voters of the city (or city and county) for their adoption or rejection at an election on a date to be determined by the city council (or other legislative body).

The proposed charter amendment reads as follows:

First. (setting forth the text of the amendment) _____(etc.)

(Signed)

Name of signer	Residence	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

Article 4. Arguments Concerning City Measures

5010. As used in this article, "city measure" includes any proposed city charter, any proposed amendment to a city charter, any proposition for the issuance of bonds by the city, or any other question or proposition submitted to the voters of a city.

5011. Whenever any city measure qualifies for a place on the ballot, the governing body may direct the city clerk to transmit a copy of the measure to the city attorney, unless the organization or salaries of the office of the city attorney are affected. The city attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. If the measure affects the organization or salaries of the office of the city attorney, the governing board may direct the city clerk to prepare the impartial analysis. The analysis shall be printed preceding the arguments for and against the measure. The analysis shall not exceed 500 words in length.

5012. If there is no other method provided by general law, or, in the case of a chartered city, by the charter or by city ordinance, arguments for and against any city measure may be submitted to the qualified voters of the city pursuant to this article. If a method is otherwise provided by general law, or, in the case of a chartered city, by charter or city ordinance, for submitting arguments as to a particular kind of city measure, that method shall control.

5013. The legislative body, or any member or members of the legislative body authorized by that body, or any individual voter or bona fide association of citizens, or any combination of voters and associations, may file a written argument for or against any city measure. No argument shall exceed 300 words in length. The city clerk shall cause an argument for and an argument against the measure to be printed along with the following statement on the front cover, or if none, on the heading of the first page, of the printed arguments:

"Arguments in support or opposition of the proposed laws are the opinions of the authors".

The city clerk shall enclose a printed copy of both arguments with each sample ballot; provided, that only those arguments filed pursuant to this section shall be printed and enclosed with the sample ballot. The printed arguments are "official matter" within the meaning of those words used in Section 10010.

5014. A ballot argument shall not be accepted under this article unless accompanied by the name or names of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the name of at least one of its principal officers.

No more than five signatures shall appear with any argument submitted under this article. In case any argument is signed by more than five persons the signatures of the first five shall be printed.

5015. Based on the time reasonably necessary to prepare and print the arguments and sample ballots for that particular election, the city clerk shall fix and determine a reasonable date prior to the election after which no arguments for or against any city measure may be submitted for printing and distribution to the voters as provided in this article. Arguments may be changed or withdrawn by their proponents until and including the date fixed by the city clerk.

5016. If more than one argument for or more than one argument against any city measure is submitted to the city clerk within the time prescribed, the city clerk shall select one of the arguments in favor and one of the arguments against the measure for printing and distribution to the voters. In selecting the argument the city clerk shall give preference and priority in the order named to the arguments of the following:

(a) The legislative body, or member or members of the legislative body authorized by that body.

(b) The individual voter or bona fide association of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure.

(c) Bona fide associations of citizens.

(d) Individual voters.

CHAPTER 4. DISTRICT ELECTIONS

Article 1. Initiative

5150. In addition to any other method provided by law, ordinances may be enacted by any district pursuant to this article, except that the provisions of this article shall not apply to irrigation districts, to a district formed under a law which does not provide a procedure for elections, to a district formed under a law which does not provide for action by ordinance, to a district governed by an election procedure which permits voters, in electing the district's directors or trustees, to cast more than one vote per voter, or to a district in which the directors are empowered to cast more than one vote per director when acting on any matter.

5151. For the purposes of initiative and referendum under this chapter, "district" includes any regional agency which has the power to tax, to regulate land use, or to condemn and purchase land.

5152. Any proposed ordinance may be submitted to the governing board of the district by an initiative petition filed with the clerk of the district. Signatures to such petitions shall be obtained in the same manner as set forth in Section 3516. Affidavits shall be attached to each petition section in the form and in the manner set forth in Section 3519.

5153. Within 10 days from the date of filing the petition, the clerk of the district board shall examine the petition, and from the records of registration ascertain whether or not the petition is signed by the requisite number of voters. The clerk shall attach to the petition a certificate showing the results of this examination. If the certificate shows the petition to be insufficient, no further action shall be taken. However, the failure to secure sufficient signatures shall not preclude the filing of a new petition on the same subject, at a later date.

If the petition is sufficient, the clerk shall certify the results to the governing board of the district at their next regular meeting.

The clerk shall preserve the petition in accordance with the provisions set forth in Section 3756.

5154. If the initiative petition is signed by voters not less in number than 10 percent of the voters in the district, and the ordinance petitioned for is not required to be, or for any reason is not submitted to the voters at a special election, and is not passed without change by the district board, the ordinance, without alteration, shall be submitted by the board to the voters at the next statewide election.

5155. The district board shall give notice of an election held pursuant to this article by publication in the same manner as prescribed for the publication of the list, or portions of the list, designating polling places for a general county election.

5156. Whenever any ordinance is required by this article to be submitted to the voters of a district at any election, the clerk of the

district board shall cause the ordinance to be printed. He shall mail a printed copy of the ordinance with a sample ballot, to each voter, at least 10 days prior to the election.

5157. The persons filing an initiative petition pursuant to this article may file with the petition a written argument in favor of the ordinance. The district board may submit an argument against the ordinance. Neither argument shall exceed 300 words in length, and both arguments shall be printed and mailed to each voter with the sample ballot for the election.

The following statement shall be printed on the front cover, or if none, on the heading of the first page, of the printed arguments:

"Arguments in support of or in opposition to the proposed laws are the opinions of the authors".

5158. Any number of proposed ordinances may be voted upon at the same election.

5159. If a majority of the voters voting on a proposed ordinance vote in its favor, the ordinance shall become a valid and binding ordinance of the district. The ordinance shall be considered as adopted upon the date the vote is declared by the district board, and shall go into effect 10 days after that date.

5160. If the provisions of two or more ordinances adopted at the same election conflict, the ordinance receiving the highest number of affirmative votes shall control.

5161. The enacting clause of an ordinance submitted to the voters of a district shall be substantially in the following form:

"The people of the _____ District do ordain as follows:"

5162. No ordinance proposed by initiative petition and adopted either by the district board without submission to the voters or adopted by the voters shall be repealed or amended except by a vote of the people, unless provision is otherwise made in the original ordinance. In all other respects, an ordinance proposed by initiative petition and adopted shall have the same force and effect as any ordinance adopted by the board.

Article 2. Referendum and Recall

5200. The voters of any district, which is a local public entity as defined by Section 900.4 of the Government Code, and to which Section 5150 of this code applies, shall have the right to petition for referendum on legislative acts of such district in the same manner and subject to the same rules as are set forth in Sections 3751, 3752, 3753, 3754 and 3755, except that all computations referred to in those sections and officers of the county mentioned in those sections shall be construed to refer to comparable computations and officers of the district.

5201. The governing board of any district to which Section 5200 applies may refer legislative questions to the voters of the district in the same manner as the board of supervisors may refer county questions pursuant to Section 3750 of this code.

5202. The right of recall may be exercised in any district to which Section 5200 applies in the same manner as in a general law city.

5203. The clerk shall preserve the petition in the manner prescribed by Section 3756.

CHAPTER 5. BOND ISSUES

5300. Notwithstanding any other provision of law, the provisions of this chapter apply to all bond issues proposed by a county, city and county, city, district or other political subdivision or by any agency, department, or board thereof, the security for which constitutes a lien on the property within the jurisdiction and the proposal for which is required to be submitted to the voters for approval.

5301. (a) In connection with each bond issue specified in Section 5300, a statement shall be mailed to the voters with the sample ballot for the bond election. The statement required by this section shall include:

(1) The best estimate from official sources of the tax rate which would be required to be levied to fund that bond issue during the first fiscal year after the first sale of the bonds based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors.

(2) The best estimate from official sources of the tax rate which would be required to be levied to fund that bond issue during the first fiscal year after the last sale of the bonds if the bonds are proposed to be sold in series and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors.

(3) The best estimate from official sources of the highest tax rate which would be required to be levied to fund that bond issue and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors.

(b) In addition the statement may contain any declaration of policy of the legislative or governing body of the applicable jurisdiction which proposes to utilize revenues other than ad valorem taxes for purposes of funding the bond issue and the best estimate from official sources of such revenues and the reduction in the tax rate levied to fund the bond issue resulting from such substitution of revenue.

(c) The words "tax rate" as used in this chapter means tax rate per one hundred dollars ($100) of assessed valuation on all property to be taxed to fund any bond issue described in Section 5300.

5302. All official publications and any ballot pamphlet prepared, sponsored or published by the jurisdiction which has proposed the bond issue or which is financed in whole or part by funds furnished

by such jurisdiction, directed at or including a bond issue proposal shall contain a statement of the tax rate data specified in Section 5301.

5303. Failure to comply with the provisions of this chapter shall not affect the validity of any bond issue following the sale and delivery of such bonds.

5304. The Legislature declares that the essence of compliance with the provisions of this chapter is good faith in presenting to voters the most accurate available information for their use in effecting comparisons and exercising judgment in casting their ballots.

CHAPTER 6. GENERAL PROVISIONS

5350. All arguments concerning measures filed pursuant to this division shall be accompanied by the following form statement, to be signed by each author of the argument:

The undersigned author(s) of the _____ argument ___
(primary/rebuttal) (in
_____ ballot proposition _____ at the _____
favor of/against) (name or number) (title of election)
election for the _____ to be held on _____ hereby state that
(jurisdiction) (date)
such argument is true and correct to the best of _____
(his/their)
knowledge and belief.

Signed _____ Date _____
_____ _____
_____ _____

5351. Notwithstanding any other provisions of this code to the contrary, whenever any ballot arguments for or against any measure submitted to the voters for approval are authorized, such arguments may be withdrawn by their proponents at any time prior to and including the final date fixed for filing arguments.

5352. Any voter who has signed any initiative or referendum petition and who subsequently wishes his or her name withdrawn, may do so by filing a written request for the withdrawal with the appropriate clerk. This request shall be filed in the clerk's office prior to the date the petition is filed.

SEC. 4. Section 10235 is added to the Elections Code, to read:

10235. The ballots used when voting upon a proposed county, city, or district ordinance submitted to the voters of the respective local government as an initiative measure pursuant to Division 4 (commencing with Section 3500) shall have printed on them the words "Shall the ordinance (stating the nature thereof) be adopted?" Opposite the statement of the ordinance to be voted on, and to its right, the words "Yes" and "No" shall be printed on separate lines, with voting squares. If a voter stamps a cross (+) in

the voting square after the printed word "Yes," his vote shall be counted in favor of the adoption of the ordinance. If he stamps a cross (+) in the voting square after the printed word "No," his vote shall be counted against its adoption.

CHAPTER 249

An act to amend Section 35552 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1976 Filed with Secretary of State June 21, 1976]

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

SECTION 1. Section 35552 of the Vehicle Code is amended to read:

35552. (a) This section applies only to trucks and vehicle combinations while transporting loads composed solely of logs.

(b) One set of tandem axles of such a truck or vehicle combination shall be deemed to be in compliance with Section 35551 if the total gross weight of 34,000 pounds on such a set that is permitted by Section 35551 is not exceeded by more than 1,500 pounds. In addition, such a truck and vehicle combination that has two consecutive sets of tandem axles shall be deemed to be in compliance with Section 35551 if such consecutive sets of tandem axles do not carry a combined total gross weight of more than 69,000 pounds, if the total gross weight on any one such set does not exceed 35,500 pounds, and if the overall distance between the first and last axle of such consecutive sets of tandem axles is 34 feet or more. All such truck and vehicle combinations shall be subject to all other provisions of Section 35551 or any other provision made applicable to the total gross weight of such a truck or vehicle combination in lieu of Section 35551.

(c) The gross weight limits expressed in this section shall include all enforcement tolerances.

(d) If any total gross weight permitted by this section is exceeded, the allowed weight in pounds set forth in subdivision (a) of Section 35551 shall be the maximum permitted weight for purposes of determining the amount of fine for such violation as specified in the table in Section 42030; except that, whenever the violation is for exceeding the total gross weight for two consecutive sets of tandem axles, and if the overall distance between the first and last axle of such sets is 34 feet or more, the allowed weight on the two consecutive sets shall be 68,000 pounds.

(e) This section shall have no application to highways which are a part of the National System of Interstate and Defense Highways (as

referred to in subdivision (a) of Section 108 of the Federal-aid Highway Act of 1956).

This section may be cited as the Christensen-Belotti Act.

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

Sections 35551 and 35552 of the Vehicle Code, as added by Chapter 651 of the Statutes of 1975, contain technical differences which were overlooked and which will result in a considerable loss of gross weight on certain vehicles which were designed and engineered to be in compliance with the law superseded by Sections 35551 and 35552 of the Vehicle Code.

The vehicles affected will become obsolete, thereby causing considerable economic hardship to the owners as well as the industries served by them.

In order to achieve its intended results, it is necessary that this act take effect immediately.

CHAPTER 250

An act to add Section 862 to the Welfare and Institutions Code, relating to juveniles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1976 Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 862 is added to the Welfare and Institutions Code, to read:

862. In addition to those juveniles specified in Section 850, the probation officer may receive and detain in the county juvenile hall any juvenile committed thereto by process or order issued under the authority of the United States until such juvenile is discharged according to law as if he had been committed under process issued under the authority of this state, provided, that, in the absence of a valid detention order issued by a federal court, such detention shall not exceed three judicial days. Juveniles detained pursuant to this section shall have all the rights, powers, privileges, and duties, and shall receive the same treatment, afforded juveniles detained pursuant to the laws of this state. The board of supervisors of a county may contract with the United States for reimbursement of the county's cost incurred in the support of such juvenile.

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

immediate effect. The facts constituting such necessity are:

A probation officer lacks authority to detain and care for juveniles in federal custody. Juveniles suspected of being illegal aliens are unable to be suitably detained pending a determination of their status in this country. This act would authorize a county to contract with the United States to provide facilities and care for such juveniles in federal custody.

CHAPTER 251

An act to amend Sections 15501 and 15503.5 of, and to repeal Sections 15504, 15505, 15506, 15507, 15508, 15509, 15510, 15511, 15512, and 15513 of, the Education Code, relating to school buildings.

[Approved by Governor June 19, 1976 Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 15501 of the Education Code is amended to read:

15501. The Legislature finds and declares as follows:

(a) By an urgency act (Stats. 1933, Ch. 59), the Legislature at the 1933 General Session established reasonable minimum standards for the design and construction of new school buildings, as now defined in Section 15452. Although it was not required that then existing school buildings incorporate these standards, it was intended by the Legislature that in the intervening years continuous progress would be made in the repair, reconstruction or replacement of such school buildings.

(b) Progress toward this end has been outstanding since 1971 as a result of state funds being made available for rehabilitating or replacing structurally unsafe school facilities.

SEC. 2. Section 15503.5 of the Education Code is amended to read:

15503.5. "School building" as used in this article shall be limited to any physical structure capable of being occupied by pupils, but shall exclude, (1) any bleacher or grandstand with less than six rows of seats, (2) any building which is used exclusively for warehouse, storage, garage, or districtwide administrative office purposes, into which pupils are not required to enter, and off-campus buildings utilized by adult schools or community colleges for voluntary adult education courses or registered apprentice courses, (3) any swimming pool, or (4) any yard or lighting poles or flag poles or playground equipment not in excess of 35 feet in height.

"School building" as used in this article excludes any building owned or occupied by a unified school district, high school district, or a county superintendent of schools, and which on July 1, 1975, and

continuously since then, was used exclusively for adult education purposes.

If any building so excluded was not constructed in accordance with Article 4 (commencing with Section 15451) of this chapter and was not repaired, reconstructed, or replaced in accordance with this article, there shall be posted in a conspicuous place on such building a public notice stating that such building does not meet the structural standards imposed by law for earthquake safety.

SEC. 3. Section 15504 of the Education Code is repealed.
SEC. 4. Section 15505 of the Education Code is repealed.
SEC. 5. Section 15506 of the Education Code is repealed.
SEC. 6. Section 15507 of the Education Code is repealed.
SEC. 7. Section 15508 of the Education Code is repealed.
SEC. 8. Section 15509 of the Education Code is repealed.
SEC. 9. Section 15510 of the Education Code is repealed.
SEC. 10. Section 15511 of the Education Code is repealed.
SEC. 11. Section 15512 of the Education Code is repealed.
SEC. 12. Section 15513 of the Education Code is repealed.

CHAPTER 252

An act to amend Section 13113 of the Health and Safety Code, relating to hospitals, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1976 Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 13113 of the Health and Safety Code is amended to read:

13113. (a) Except as otherwise provided in this section, no person, firm, or corporation shall establish, maintain, or operate any hospital, children's home, children's nursery, or institution, or a home or institution for the care of aged or senile persons, or any sanitarium or institution for insane or mentally retarded persons and any nursing or convalescent home, wherein more than six guests or patients are housed or cared for on a 24-hour-per-day basis unless there is installed and maintained in an operable condition in every building or portion thereof where patients or guests are housed an automatic sprinkler system approved by the State Fire Marshal.

(b) Any hospital, children's home, children's nursery, or institution, or any home or institution for the care of aged or senile persons, or any sanitarium or institution for insane or mentally retarded persons, or any nursing or convalescent home under construction or in existence and operating on March 4, 1972, which does not meet the requirements of this section, may operate or

continue to operate without meeting such requirements until June 30, 1976. In no event shall the continued use of such facilities extend beyond that date, unless an approved automatic sprinkler system as required by this section has been installed.

(c) This section shall not apply to homes or institutions for the 24-hour-per-day care of ambulatory children if all of the following conditions are satisfied:

(1) The buildings or portions thereof in which such children are housed are not more than two stories in height and are constructed and maintained in accordance with regulations adopted by the State Fire Marshal pursuant to Section 13143.

(2) The buildings or portions thereof housing more than six such children shall have installed and maintained in an operable condition therein a fire alarm system of a type approved by the State Fire Marshal. Such system shall be activated by detectors responding to invisible products of combustion other than heat.

(3) The buildings or portions thereof do not house mentally ill or mentally retarded children.

(d) This section shall not apply to any one-story building or structure of an institution or home for the care of the aged providing 24-hour-per-day care if such building or structure is used or intended to be used for the housing of no more than six ambulatory aged persons. However, such buildings or institutions shall have installed and maintained in an operable condition therein a fire alarm system of a type approved by the State Fire Marshal. Such system shall be activated by detectors responding to products of combustion other than heat.

(e) This section shall not apply to occupancies, or any alterations thereto, of type I construction, as defined by the State Fire Marshal, under construction or in existence on March 4, 1972.

(f) This section shall not apply to the continuing use of an existing hospital which is to be replaced by the construction of another facility, during the period of time required to complete construction of the replacement hospital and make it available for occupancy without unreasonable delay, as determined by the state department, and which shall not in any case exceed two years from the date the actual work of construction is commenced, provided each of the following conditions is satisfied:

(1) The governing body or board of the hospital, on or before June 30, 1976, files with the state department a letter of intent to replace the existing facility with a new facility, the construction of which is planned to commence prior to December 31, 1976.

(2) On or before June 30, 1976, plans for the replacement facility are approved pursuant to Chapter 1 (commencing with Section 15000) of Division 12.5, approved by the State Fire Marshal or local enforcement agency as meeting applicable requirements of this chapter and regulations adopted hereunder, and approved by the state department pursuant to its regulations and procedures governing plan review.

(3) The replacement facility is under construction prior to December 31, 1976.

(g) "Under construction," as used in this section, means that actual work shall have been performed on the construction site and shall not be construed to mean that the hospital, home, nursery, institution, sanitarium or any portion thereof, is in the planning stage.

SEC. 2. Section 13113 of the Health and Safety Code, as amended by Section 1 of Senate Bill No. 1480 of the 1975–76 Regular Session, is amended to read:

13113. (a) Except as otherwise provided in this section, no person, firm, or corporation shall establish, maintain, or operate any hospital, children's home, children's nursery, or institution, or a home or institution for the care of aged or senile persons, or any sanitarium or institution for insane or mentally retarded persons and any nursing or convalescent home, wherein more than six guests or patients are housed or cared for on a 24-hour-per-day basis unless there is installed and maintained in an operable condition in every building or portion thereof where patients or guests are housed an automatic sprinkler system approved by the State Fire Marshal.

(b) Any hospital, children's home, children's nursery, or institution, or any home or institution for the care of aged or senile persons, or any sanitarium or institution for insane or mentally retarded persons, or any nursing or convalescent home under construction or in existence and operating on March 4, 1972, which does not meet the requirements of this section, may operate or continue to operate without meeting such requirements until June 30, 1976. In no event shall the continued use of such facilities extend beyond that date, unless an approved automatic sprinkler system as required by this section has been installed or is in the process of being installed in accordance with the schedule set forth in subdivision (f).

(c) This section shall not apply to homes or institutions for the 24-hour-per-day care of ambulatory children if all of the following conditions are satisfied:

(1) The buildings or portions thereof in which such children are housed are not more than two stories in height and are constructed and maintained in accordance with regulations adopted by the State Fire Marshal pursuant to Section 13143.

(2) The buildings or portions thereof housing more than six such children shall have installed and maintained in an operable condition therein a fire alarm system of a type approved by the State Fire Marshal. Such system shall be activated by detectors responding to invisible products of combustion other than heat.

(3) The buildings or portions thereof do not house mentally ill or mentally retarded children.

(d) This section shall not apply to any one-story building or structure of an institution or home for the care of the aged providing 24-hour-per-day care if such building or structure is used or intended to be used for the housing of no more than six ambulatory aged

persons. However, such buildings or institutions shall have installed and maintained in an operable condition therein a fire alarm system of a type approved by the State Fire Marshal. Such system shall be activated by detectors responding to products of combustion other than heat.

(e) This section shall not apply to occupancies, or any alterations thereto, of type I construction, as defined by the State Fire Marshal, under construction or in existence on March 4, 1972.

(f) Any facility exempted from the requirements of subdivision (a) until June 30, 1976, by subdivision (b) may continue to operate without having therein an operational automatic sprinkler system approved by the State Fire Marshal if the installation of such a system, or the installation of an approved fire alarm system as authorized by subdivision (c) or (d), is commenced prior to June 30, 1976, and completed on or before December 31, 1976. Installation shall be deemed commenced for purposes of this subdivision when the facility has completed all of the following:

(1) Submitted to the state department a written contract with a licensed contractor for installation of such an automatic sprinkler system or fire alarm system in accordance with plans and specifications approved by the State Fire Marshal. The contract shall require the contractor to complete such installation within six months of the date of execution thereof and not later than December 31, 1976.

(2) Obtained all necessary permits and other governmental approvals required by law for the commencement of such installation.

(3) The contractor has commenced performance under the contract and has performed onsite work thereunder.

(g) This section shall not apply to the continuing use of an existing hospital which is to be replaced by the construction of another facility, during the period of time required to complete construction of the replacement hospital and make it available for occupancy without unreasonable delay, as determined by the state department, and which shall not in any case exceed two years from the date the actual work of construction is commenced, provided each of the following conditions is satisfied:

(1) The governing body or board of the hospital, on or before June 30, 1976, files with the state department a letter of intent to replace the existing facility with a new facility, the construction of which is planned to commence prior to December 31, 1976.

(2) On or before June 30, 1976, plans for the replacement facility are approved pursuant to Chapter 1 (commencing with Section 15000) of Division 12.5, approved by the State Fire Marshal or local enforcement agency as meeting applicable requirements of this chapter and regulations adopted hereunder, and approved by the state department pursuant to its regulations and procedures governing plan review.

(3) The replacement facility is under construction prior to

December 31, 1976.

(h) "Under construction," as used in this section, means that actual work shall have been performed on the construction site and shall not be construed to mean that the hospital, home, nursery, institution, sanitarium or any portion thereof, is in the planning stage.

SEC. 3. It is the intent of the Legislature, if this bill and Senate Bill No. 1480 are both chaptered and become effective on or before January 1, 1977, both bills amend Section 13113 of the Health and Safety Code, and this bill is chaptered after Senate Bill No. 1480, that Section 13113 of the Health and Safety Code, as amended by Section 1 of Senate Bill No. 1480, be further amended on the effective date of this act in the form set forth in Section 2 of this act to incorporate the changes in Section 13113 proposed by this bill. Therefore, if this bill and Senate Bill No. 1480 are both chaptered and become effective on or before January 1, 1977, and Senate Bill No. 1480 is chaptered before this bill and amends Section 13113, Section 2 of this act shall become operative on the effective date of this act and Section 1 of this act shall not become operative.

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

In order that a hospital for which replacement construction has started prior to June 30, 1976, may continue to operate beyond June 30, 1976, without making expensive alterations when such hospital will be closed at the time the replacement hospital is available for occupancy, it is necessary that this act take effect immediately.

CHAPTER 253

An act to amend Section 31580.2 of the Government Code, relating to retirement.

[Approved by Governor June 19, 1976 Filed with Secretary of State June 21, 1976.]

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

SECTION 1. Section 31580.2 of the Government Code is amended to read:

31580.2. In counties where the board of retirement and board of investment have appointed personnel pursuant to Section 31522.1, the respective boards shall annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earnings of the retirement fund. The charge shall not exceed one-tenth of 1 percent of the total assets of the retirement system.

CHAPTER 254

An act to add Section 31580.3 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976]

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

SECTION 1. Section 31580.3 is added to the Government Code, to read:

31580.3. In any county of the fourth class as established in Sections 28020 and 28025, the charge against the earnings of the retirement fund for the expense of administration of the retirement system shall not exceed eighteen-hundreds of 1 percent of the total assets of the retirement system.

CHAPTER 255

An act to amend Section 1251 of the Education Code, relating to school district liability.

[Approved by Governor June 19, 1976. Filed with Secretary of State June 21, 1976]

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

SECTION 1. Section 1251 of the Education Code is amended to read:

1251. The board of governors of a school district may provide protection from its own funds for the purpose of covering the liability of the district, its officers, agents, and employees, in lieu of carrying insurance in insurance companies as provided in Section 1017. Nothing contained herein shall be construed as prohibiting the board of education of the district from providing protection against such liability partly by means of its own funds and partly by means of insurance written by insurance companies as provided in Section 1017.

CHAPTER 256

An act to add Section 239.3 to, and to add Chapter 2.5 (commencing with Section 137) to Part 4 of, the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), relating to metropolitan water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 23, 1976. Filed with Secretary of State June 23, 1976.]

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

SECTION 1. Chapter 2.5 (commencing with Section 137) is added to Part 4 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), to read:

CHAPTER 2.5 HYDROELECTRIC POWER

Sec. 137. A district may utilize any part of its water, and of its works, facilities, improvements and property used for the development, storage and transportation of water pursuant to Chapter 2 (commencing with Section 130) of this part, to provide, generate, and deliver hydroelectric power, and may acquire, construct, operate and maintain any and all works, facilities, improvements, and property necessary or convenient for such utilization.

Sec. 138. A district may (a) pursuant to contract, provide, sell and deliver hydroelectric power to the United States of America or any board, department or agency thereof, to the State of California for the purposes of the State Water Resources Development System, and to any public agency defined in subdivision (c) of Section 131, private corporation or other person or entity, or any combination thereof, engaged in the sale of electric power at retail; or (b) use all or any part of such hydroelectric power directly, or indirectly through exchange, in exercising any of the powers described in Section 120 or otherwise provided by law.

SEC. 2. Section 239.3 is added to the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), to read:

Sec. 239.3. The phrase "any public improvement or works of the district" in Section 237 and the phrase "properties, works and facilities of the district" in Section 238 shall be deemed to include, without limitation, works, facilities, improvements, and property of the district for the provision, generation, and delivery of hydroelectric power pursuant to Chapter 2.5 (commencing with Section 137) of Part 4 of this act. The acquisition and construction of such works, facilities, improvements and property shall be deemed to be a purpose for which revenue bonds, whether heretofore or hereafter authorized pursuant to this chapter, may be issued and sold.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The present critical energy situation has focused public attention on energy uses, resources, and the prospects for meeting both existing and future energy demands. It is necessary to resolve uncertainties as to the legal power of metropolitan water districts to

design, construct and operate hydroelectric power generation plants or units at locations on their water distribution systems wherever it is determined to be feasible, which plants or units will utilize presently existing hydraulic power that now is wasted in connection with the operation of the systems, and thus contribute to the energy supply of the state and the nation, electric power that otherwise would not exist. In order that this new source of electric power can be provided at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 257

An act to add Section 31703.9 to the Water Code, relating to Juniper Riviera County Water District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 23, 1976 Filed with Secretary of State June 23, 1976]

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

SECTION 1. Section 31703.9 is added to the Water Code, to read:

31703.9. Annually, the Juniper Riviera County Water District, San Bernardino County, may request, and the board of supervisors shall levy, any one, or all, bond or other taxes on land only within the district or improvement district benefited by the purposes of the bonded debt and other indebtedness. Such tax, or taxes, levied pursuant to this section constitutes a lien on all taxable property, both real and personal, located on the land benefited by the purposes of the bonded debt or other indebtedness.

This special provision is necessary because the Juniper Riviera County Water District is uniquely located in a desert area where water provided by the district primarily benefits only land.

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

In order to assure that this provision is available for the 1976–77 fiscal year and the tax levies made during such period, it is necessary that it go into immediate effect.

CHAPTER 258

An act making an appropriation to the Emergency Fund in augmentation of Item 96, Budget Act of 1975, to take effect immediately, usual current expenses.

[Approved by Governor June 24, 1976 Filed with Secretary of State June 24, 1976]

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

SECTION 1. The sum of thirty million five hundred twenty thousand eighty-nine dollars ($30,520,089) is hereby appropriated for the Emergency Fund in augmentation of and upon the same terms and conditions as the appropriation made by Item 96, Budget Act of 1975.

The appropriation provided in this section shall be allocated by the Director of Finance, as needed, in accordance with the following schedule, except that amounts not allocated in subdivisions (a) through (*l*), inclusive, will be available for subdivision (m).

Schedule:

(a) State Controller	474,266
(b) Secretary of State	21,916
(c) Department of Consumer Affairs	160,000
(d) Department of Conservation	6,600,000
(e) Department of Health	10,451,611
(f) Department of Corrections	2,387,287
(g) Department of Youth Authority	2,226,135
(h) Department of Education	3,541,600
(i) Trustees of the California State University and Colleges	2,195,000
(j) University of California	1,853,000
(k) Salaries of superior court judges	185,300
(*l*) Payments to counties for cost of homicide trials	115,008
(m) Unallocated	308,966

Provided, that notwithstanding any other provision of law, no funds appropriated by this section shall be allocated to the Agricultural Labor Relations Board.

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

CHAPTER 259

An act to add Chapter 1.68 (commencing with Section 5096.111) to Division 5 of the Public Resources Code, relating to financing of a program of acquiring, developing, and restoring real property for state and local park, beach, recreational, and historical resources preservation purposes by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of such funds; providing for the submission of the measure to a vote of the people at a special election to be consolidated with the 1976 general election; making an appropriation therefor; and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1976 Filed with Secretary of State June 24, 1976]

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

SECTION 1. Chapter 1.68 (commencing with Section 5096.111) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 1.68. NEJEDLY-HART STATE, URBAN, AND COASTAL PARK BOND ACT OF 1976

5096.111. This chapter shall be known and may be cited as the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976.

5096.112. The Legislature hereby finds and declares that:

(a) It is the responsibility of this state to provide and to encourage the provision of recreational opportunities for the citizens of California.

(b) It is the policy of the state to preserve, protect, and, where possible, to restore coastal resources which are of significant recreational or environmental importance for the enjoyment of present and future generations of persons of all income levels, all ages, and all social groups.

(c) When there is proper planning and development, parks, beaches, recreation areas and recreational facilities, and historical resources preservation projects contribute not only to a healthy physical and moral environment, but also contribute to the economic betterment of the state, and, therefore, it is in the public interest for the state to acquire, develop, and restore areas for recreation, conservation, and preservation and to aid local governments of the state in acquiring, developing, and restoring such areas as will contribute to the realization of the policy declared in this chapter.

5096.113. The Legislature further finds and declares that:

(a) The demand for parks, beaches, recreation areas and recreational facilities, and historical resources preservation projects in California is far greater than what is presently available, with the

number of people who cannot be accommodated at the area of their choice or any comparable area increasing rapidly.

(b) The demand for parks, beaches, recreation areas and recreational facilities, and historical resources preservation projects in the urban areas of our state are even greater: over 90 percent of the present population of California reside in urban areas; there continues to be approximately a 30 percent deficiency in open space and recreation areas in the metropolitan areas of the state; less urban land is available, costs are escalating, and competition for land is increasing.

(c) There is a high concentration of urban social problems in California's major metropolitan areas which can be partially alleviated by increased recreational opportunities.

(d) California's coast provides a great variety of recreational opportunities not found at inland sites; it is heavily used because the state's major urban areas lie, and 85 percent of the state's population lives, within 30 miles of the Pacific Ocean; a shortage of facilities for almost every popular coastal recreational activity exists; and there will be a continuing high demand for popular coastal activities such as fishing, swimming, sightseeing, general beach use, camping, and day use. Funding for the acquisition of a number of key coastal sites is critical at this time, particularly in metropolitan areas where both the demand for and the deficiency of recreational facilities is greatest. Current development pressures in urbanized areas threaten to preclude public acquisition of these key remaining undeveloped coastal parcels unless these sites are acquired in the near future.

(e) Increasing and often conflicting pressures on limited coastal land and water areas, escalating costs for coastal land, and growing coastal recreational demand requires, as soon as possible, funding for, and the acquisition of, land and water areas needed to meet demands for coastal recreational opportunities and to implement recommendations for acquisitions of the Coastal Plan prepared and adopted in accordance with the requirements of the California Coastal Zone Conservation Act of 1972.

(f) By 1980, the need for local parks, beaches, and recreation areas and recreational facilities will be nearly twice as great as presently required.

(g) By 1980, unless the lands and waters that hold recreation potential today are acquired or reserved for recreation as soon as possible, there will be a marked shortage of recreation lands and waters on a local and regional basis.

(h) Cities, counties, and districts must exercise constant vigilance to see that the parks, beaches, recreation lands and recreational facilities, and historical resources they now have are not lost to other uses; they should acquire additional lands as such lands become available; they should take steps to improve the facilities they now have.

(i) Past and current funding programs have not and cannot meet

present deficiencies.

(j) There is a pressing need to provide statutory authority and funding for a coordinated state program designed to provide expanded public access to the coast, to preserve prime coastal agricultural lands, and to restore and enhance natural and man-made coastal environments.

(k) In view of the foregoing, the Legislature declares that an aggressive, coordinated, funded program for meeting existing and projected recreational demands must be implemented without delay.

5096.114. Bonds in the total amount of two hundred eighty million dollars ($280,000,000), or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed hereinafter, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. Said bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California are hereby pledged for the punctual payment of both principal and interest on said bonds as said principal and interest become due and payable.

5096.115. There shall be collected each year and in the same manner and at the same time as other state revenue is collected such sum in addition to the ordinary revenues of the state as shall be required to pay the principal and interest on said bonds maturing in said year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue to do and perform each and every act which shall be necessary to collect such additional sum.

5096.116. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this act, such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal and interest on bonds issued and sold pursuant to the provisions of this chapter, as said principal and interest become due and payable.

(b) Such sum as is necessary to carry out the provisions of Section 5096.117, which sum is appropriated without regard to fiscal years.

5096.117. For the purposes of carrying out the provisions of this chapter the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which have been authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the State, Urban, and Coastal Park Fund or the State Coastal Conservancy, which depositories are hereby created. Any moneys made available under this section shall be returned to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out the provisions of this chapter.

5096.118. The proceeds of bonds issued and sold pursuant to this

chapter shall be deposited in the State, Urban, and Coastal Park Fund or the State Coastal Conservancy. The money in such depositories may be expended only for the purposes specified in this chapter and only pursuant to appropriation by the Legislature in the manner hereinafter prescribed.

5096.119. All proposed appropriations for the program specified in Section 5096.124 shall be included in a section in the Budget Bill for each fiscal year for consideration by the Legislature, and shall bear the caption "Nejedly-Hart State, Urban, and Coastal Park Bond Act Program." The section shall contain separate items for each project for which an appropriation is made.

All proposed appropriations for purposes specified in Section 5096.125 shall be included in a section of the Budget Bill for each fiscal year for consideration by the Legislature, and shall bear the caption "State Coastal Conservancy." The section shall contain separate items for each project for which an appropriation is made.

Such appropriations shall be subject to all limitations contained in the Budget Bill and to all fiscal procedures prescribed by law with respect to the expenditure of state funds unless expressly exempted from such laws by a statute enacted by the Legislature. Such sections shall contain proposed appropriations only for the programs contemplated by this chapter, and no funds derived from the bonds authorized by this chapter may be expended pursuant to an appropriation not contained in such sections of the Budget Act.

5096.120. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3, Division 4, Title 2 of the Government Code) and all of the provisions of that law are applicable to the bonds and to this chapter, and are hereby incorporated in this chapter as though set forth in full herein.

5096.121. The State Park and Recreation Finance Committee is hereby created. The committee consists of the Governor, the State Controller, the Director of Finance, the State Treasurer, and the Secretary of the Resources Agency. For the purposes of this chapter the State Park and Recreation Finance Committee shall be "the committee" as that term is used in the State General Obligation Bond Law. The Secretary of the Resources Agency is hereby designated as "the board" for the purposes of this chapter and for the purposes of the State General Obligation Bond Law.

5096.122. All money deposited in the State, Urban, and Coastal Park Fund or the State Coastal Conservancy which is derived from premium and accrued interest on bonds sold shall be reserved in such depositories and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

5096.123. As used in this chapter and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:

(a) "State grant" or "state grant moneys" means moneys received

by the state from the sale of bonds authorized by this chapter which are available for grants to counties, cities, and districts for acquisition, development, or restoration of real property for park, beach, recreational, and historical resources preservation purposes.

(b) "District" means any district authorized to provide park and recreation services, except a school district.

(c) "Historical resource" includes, but is not limited to, any building, structure, site, area, or place which is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California.

(d) "Historical resources preservation project" is a project designed to preserve an historical resource which is either listed in the National Register of Historic Places or is registered as either a state historical landmark or point of historical interest pursuant to Section 5021.

(e) "Coastal recreational resources" means those land and water areas adjacent to or in close proximity to the Pacific Ocean which are suitable for public park, beach, or recreational purposes, including, but not limited to, areas of historical significance and areas of open space that complement park, beach, or recreational areas.

5096.124. Except as otherwise provided in this section or elsewhere in this chapter, all money deposited in the State, Urban, and Coastal Park Fund shall be available for appropriation as set forth in Section 5096.119 for the purposes set forth below in amounts not to exceed the following:

(a) For grants to counties, cities, and districts for the acquisition, development, or restoration of real property for park, beach, recreational, and historical resources preservation purposes, including state administrative costs..... $85,000,000

(b) For acquisition, development, or restoration of real property for the state park system in accordance with the following schedule $34,000,000

Schedule:

(1) Thirteen million dollars ($13,000,000) for acquisition and costs for planning and interpretation.

(2) Twenty-one million dollars ($21,000,000) for development of real property, historical resources, and costs for planning and interpretation.

(c) For acquisition of coastal recreational resources, consisting of real property for the state park system and costs of planning and interpretation..... $110,000,000

(d) For the acquisition or development of real property for wildlife management in accordance with the provisions of the Wildlife Conservation Law of 1947 (Chapter 4 (commencing with Section 1300), Division 2, Fish and Game Code), including costs for planning and interpretation in accordance with the following schedule $15,000,000

Schedule:

(1) Ten million dollars ($10,000,000) for coastal projects.

(2) Five million dollars ($5,000,000) for all projects, including coastal projects.

(e) For recreational facilities of the State Water Facilities, as defined in paragraphs (1) to (4), inclusive, of subdivision (d) of Section 12934 of the Water Code, for allocation in accordance with the following schedule $26,000,000

Schedule:

(1) Fifteen million dollars ($15,000,000) to the Department of Parks and Recreation, of which up to six million dollars ($6,000,000) may be used for recreational facilities at Lake Elsinore, whether or not such facilities are a part of the State Water Facilities.

(2) Five million dollars ($5,000,000) to the Department of Water Resources.

(3) Six million dollars ($6,000,000) to the Department of Navigation and Ocean Development.

It is the intent of the Legislature that funds expended pursuant to subdivisions (a) and (b) of this section may be used for the acquisition of parks, beaches, open-space lands, and historical resources, and for development rights and scenic easements in connection with such lands and resources, and, in the case of grants to counties, cities, and districts, also for the development or restoration of such lands or resources and that funds expended pursuant to subdivision (c) of this section be in accordance with the following criteria and priorities:

(1) The first priority for the acquisition of coastal recreational resources is as follows:

(i) Land and water areas best suited to serve the recreational needs of urban populations.

(ii) Land and water areas of significant environmental importance, such as habitat protection.

(iii) Land and water areas in either of the above categories shall be given the highest priority when incompatible uses threaten to destroy or substantially diminish the resource value of such area.

(2) The second priority for the acquisition of coastal recreational resources is as follows:

(i) Land for physical and visual access to the coastline where public access opportunities are inadequate or could be impeded by incompatible uses.

(ii) Remaining areas of high recreational value.

(iii) Areas proposed as a coastal reserve or preserve, including areas that are or include restricted natural communities, such as ecological areas that are scarce, involving only a limited area; rare and endangered wildlife species habitat; rare and endangered plant species range; specialized wildlife habitat; outstanding representative natural communities; sites with outstanding educational value; fragile or environmentally sensitive resources; and wilderness or primitive areas. Areas meeting more than one of these criteria may be considered as being especially important.

(iv) Highly scenic areas that are or include landscape preservation projects designated by the Department of Parks and Recreation; open areas identified as being of particular value in providing visual contrast to urbanization, in preserving natural landforms and significant vegetation, in providing attractive transitions between natural and urbanized areas, or as scenic open space; and scenic areas and historical districts designated by cities and counties. All real property acquired pursuant to this chapter shall be acquired in compliance with the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code, and procedures sufficient to ensure such compliance shall be prescribed by the Department of Parks and Recreation.

It is the further intent of the Legislature that funds granted pursuant to subdivision (a) of this section may be used by counties, cities, and districts for the acquisition, development, and restoration of public indoor recreational facilities, including enclosed swimming pools, gymnasiums, recreation centers, historical buildings, and museums. For development, the land must be owned by, or subject to a long-term lease to, the applicant county, city, or district. Such lease shall be for a period of not less than 25 years from the date an application for a grant is made and shall provide that it may not be revoked at will during such period.

5096.125. Except as otherwise provided in this section and elsewhere in this chapter, all money deposited in the State Coastal Conservancy shall be available for appropriation, as provided in Section 5096.119, for the purposes set forth in this section, in a total amount not to exceed ten million dollars ($10,000,000):

(a) For restoration and enhancement of degraded coastal lands, especially habitat areas and lands near urban areas, that are suitable for intensive or passive recreational use.

(b) For the selective acquisition of prime coastal agricultural lands proposed for conversion to nonagricultural use, to prevent urban intrusions into agricultural areas and to assemble coastal

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agricultural lands into parcels of economic size, using appropriate techniques such as purchase and leaseback or resale of lands for productive use.

(c) For the preacquisition of lands for reconveyance to other public agencies for coastal recreational resources preservation purposes.

(d) For the selective acquisition of easements and development rights on lands adjacent to public parks or wildlife preserves on or near the coast, to establish a buffer of privately owned land for use consistent with the purposes of the park or preserve and to minimize the need for future acquisitions around existing parks and wildlife preserves.

(e) For the acquisition or acceptance of lands providing public access to and along the coast.

(f) For the costs of administration and planning.

It is the intent of the Legislature that no funds allocated in this chapter to the State Coastal Conservancy shall be expended unless and until the Legislature has enacted legislation authorizing the administration of the conservancy by an existing state agency or a new state agency and has, in such legislation, set forth the purposes, powers, and duties of such agency. If the Legislature has not assigned such authority to an existing or new state agency by January 1, 1980, the funds allocated in this chapter to the State Coastal Conservancy shall be transferred to the State, Urban, and Coastal Park Fund and shall be allocated for expenditure for the purposes specified in subdivision (c) of Section 5096.124.

It is the further intent of the Legislature that funds expended pursuant to this section may be used for acquisition of fee title to real property or any other interest in real property that is less than the fee.

5096.126. After the Legislature has authorized the administration of the State Coastal Conservancy by an existing or new state agency, any project involving state funds pursuant to Section 5096.125 shall originate and be processed in the manner to be specified by the Legislature in such authorizing legislation.

5096.127. (a) All of the funds authorized by subdivision (a) of Section 5096.124 for grants, shall be allocated to the counties, such allocation to be based upon the estimated population of the counties on July 1, 1980, as projected by the Department of Finance.

(b) Each county's apportionment of such funds shall be in the same ratio as the county's population is to the state's total population; provided, however, that each county having a projected 1980 population of 40,000 or fewer persons shall receive an allocation of two hundred thousand dollars ($200,000); and provided, further, that any grant made to a city or district shall be subtracted from the total otherwise allocable under the provisions of this chapter to the county or counties in which the city or district is located.

(c) Each county shall consult with all cities and districts within the county and shall develop and submit to the state for approval a

priority plan for expenditure of the county's allocation. The priority plan for expenditure shall consist of an allocation of the county's funds to the eligible recipients specified in subdivision (a) of Section 5096.124. The priority plan for expenditure may include the names of individual projects under each governmental jurisdiction. The priority plan for expenditure shall be submitted to the Director of Parks and Recreation prior to June 30, 1978. The priority plan for expenditure of the total county allocation shall be approved by at least 50 percent of the cities and districts representing 50 percent of the population of the cities and districts within the county, and by the county board of supervisors. Failure to submit an approved priority plan by June 30, 1978, shall result in a 10-percent annual reduction of the total county allocation until the priority plan is submitted. Any funds not allocated to a county shall remain in the State, Urban, and Coastal Park Fund and shall be expended under the same conditions as set forth in Section 5096.128 in 1983. By June 30, 1980, if agreement on the priority plan for expenditure has not been submitted to the Director of Parks and Recreation, the county board of supervisors shall petition the Director of Parks and Recreation to distribute to high-priority projects the remaining 80 percent of the county's allocation.

(d) Applications for individual projects may be submitted directly to the Director of Parks and Recreation by individual jurisdictions.

5096.128. On July 1, 1983, the Secretary of the Resources Agency shall cause to be totaled the unencumbered balances remaining in the State, Urban, and Coastal Park Fund. A program shall be submitted in the budget for the 1984–1985 fiscal year to appropriate this balance. This program shall consist of projects deemed to be of highest priority from among the purposes expressed in subdivisions (a) to (e), inclusive, of Section 5096.124 and shall not be subject to the maximum amounts allocated to those purposes in Section 5096.124.

5096.129. Any project involving state funds only, pursuant to subdivisions (b), (c), and (e) of Section 5096.124, shall originate by resolution of the Legislature or of the State Park and Recreation Commission directing a study of the proposed project or by action of the Secretary of the Resources Agency, either on his own initiative, or, with respect to projects to be funded pursuant to subdivision (e) of Section 5096.124, at the request of the Director of Water Resources, directing a study of the proposed project.

The costs of these project studies shall be borne by the State, Urban, and Coastal Park Fund.

Allocations for the purposes of subdivision (d) of Section 5096.124 that are authorized by the Legislature and approved by the Governor shall be made from the State, Urban, and Coastal Park Fund and shall be expended in accordance with the provisions of the Wildlife Conservation Law of 1947 (Chapter 4 (commencing with Section 1300), Division 2, Fish and Game Code).

5096.130. (a) An application for a grant pursuant to subdivision

(a) of Section 5096.124 shall be submitted to the Director of Parks and Recreation for review. The application shall be accompanied by a certification from the planning agency of the applicant that the project is consistent with the park and recreation plan for the applicant's jurisdiction.

(b) The minimum amount that may be applied for any individual grant project is ten thousand dollars ($10,000). Any application for a state grant shall comply with the provisions of the Environmental Quality Act of 1970 (commencing with Section 21000).

(c) Upon completion of the grant application review by the Director of Parks and Recreation, approved projects shall be forwarded to the Director of Finance for inclusion in the Budget Bill.

5096.131. Projects proposed pursuant to subdivisions (b), (c), (d), and (e) of Section 5096.124 shall be submitted to the office of the Secretary of the Resources Agency for review. The Director of Parks and Recreation shall provide the Secretary of the Resources Agency with a statement concerning each project originated pursuant to subdivisions (b), (c), and (e) of Section 5096.124, which statement shall include the priority of the project in regard to the need to correct the following deficiencies:

(a) Deficiencies in providing recreation.

(b) Deficiencies in preserving historical resources.

(c) Deficiencies in preserving or protecting natural, scenic, ecological, geological, or other environmental values.

5096.132. The Secretary of the Resources Agency, after completing his review, shall forward those projects recommended by the appropriate board or commission together with his comments thereon to the Director of Finance for inclusion in the Budget Bill. Projects proposed pursuant to subdivision (d) of Section 5096.124 shall be subject to the favorable recommendation of the Wildlife Conservation Board. Projects proposed for the state park system pursuant to subdivision (b) or (e) of Section 5096.124 shall be subject to the favorable recommendation of the State Park and Recreation Commission.

In submitting the list of projects recommended for inclusion in the annual budget, the secretary shall organize the projects on a priority basis within each of the purposes as set forth in subdivisions (b), (c), (d), and (e) of Section 5096.124. This priority ranking shall be based upon the provisions of Section 5096.124 and the needs specified in Section 5096.131.

In addition, the statement setting forth the priorities shall include the relationship of each separate project on the priority list to a proposed time schedule for the acquisition, development, or restoration expenditures associated with the accomplishment of the projects contained in such list. All projects proposed in the Governor's Budget of each fiscal year shall be contained in the Budget Bill as provided in Section 5096.119.

5096.133. Projects authorized for the purposes set forth in subdivisions (b), (c), and (e) of Section 5096.124 shall be subject to

augmentation as provided in Section 16352 of the Government Code. The unexpended balance in any appropriation heretofore or hereafter made payable from the State, Urban, and Coastal Park Fund which the Director of Finance, with the approval of the State Public Works Board, determines not to be required for expenditure pursuant to the appropriation may be transferred on order of the Director of Finance to, and in augmentation of, the appropriation made in Section 16352 of the Government Code.

5096.134. The Director of Parks and Recreation may make agreements with respect to any real property acquired pursuant to subdivisions (b) and (c) of Section 5096.124 for continued tenancy of the seller of the property for a period of time and under such conditions as mutually agreed upon by the state and the seller so long as the seller promises to pay such taxes on his interest in the property as shall become due, owing, or unpaid on the interest created by such agreement, and so long as the seller conducts his operations on the land according to specifications issued by the Director of Parks and Recreation to protect the property for the public use for which it was acquired. A copy of such agreement shall be filed with the county clerk in the county in which the property lies. Such arrangement shall be compatible with the operation of the area by the state, as determined by the Director of Parks and Recreation.

5096.135. Notwithstanding any other provisions of law, for the purposes of this chapter, acquisition may include gifts, purchases, leases, easements, eminent domain, the transfer or exchange of property for other property of like value, and purchases of development rights and other interests, unless the Legislature shall hereafter otherwise provide. Acquisition for the state park system by purchase or by eminent domain shall be under the Property Acquisition Law (commencing with Section 15850 of the Government Code), notwithstanding any other provisions of law.

5096.136. All grants, gifts, devises, or bequests to the state, conditional or unconditional, for park, conservation, recreation, or other purposes for which real property may be acquired or developed pursuant to this chapter, may be accepted and received on behalf of the state by the appropriate department head with the approval of the Director of Finance. Such grants, gifts, devises, or bequests shall be available, when appropriated by the Legislature, for expenditure for the purposes provided in Sections 5096.124 and 5096.125.

5096.137. There shall be an agreement or contract between the Department of Parks and Recreation and the applicant in the case of a state grant project which shall contain therein the provisions that the property so acquired or developed shall be used by the applicant only for the purpose for which the state grant funds were requested and that no other use of the area shall be permitted except by specific act of the Legislature. No state grant funds shall be available for expenditure until such agreement has been signed.

5096.138. Real property acquired by the state shall consist

predominantly of open or natural lands, including lands under water capable of being utilized for multiple recreational purposes, and lands necessary for the preservation of historical resources. No funds derived from the bonds authorized by this chapter shall be expended for the construction of any reservoir designated as a part of the "State Water Facilities," as defined in subdivision (d) of Section 12934 of the Water Code, but such funds may be expended for the acquisition or development of beaches, parks, recreational facilities, and historical resources at or in the vicinity of any such reservoir.

5096.139. (a) The Director of Parks and Recreation may submit to the State Lands Commission any proposal by a state or local public agency for the acquisition of lands pursuant to this chapter, which lands are located on or near tidelands, submerged lands, swamp, overflowed, or other wetlands which are under the jurisdiction of the State Lands Commission, whether or not such lands are state-owned or have been granted in trust to a local public agency; and the State Lands Commission shall, within one year of such submittal, review such proposed acquisition, make a determination as to the state's existing or potential interest in the lands, and report its findings to the Director of Parks and Recreation, who shall forward such report to the Secretary of the Resources Agency.

(b) No provision of this chapter shall be construed as authorizing the condemnation of state lands.

SEC. 2. Section 1 of this act shall become operative January 1, 1977, if the people at the special election provided in Section 3 of this act adopt the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976, as set forth in Section 1 of this act. Sections 2 to 8, inclusive, of this act provide for the calling of an election and contain provisions relating to, and necessary for, the submission of the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976 to the people, and for returning, canvassing, and proclaiming the votes thereon, and shall take effect immediately.

SEC. 3. A special election is hereby called to be held throughout the state on the second day of November, 1976. The special election shall be consolidated with the 1976 general election to be held on that date. The consolidated election shall be held and conducted in all respects as if there were only one election and only one form of ballot shall be used. Except as otherwise provided in this act, all of the provisions of law relating to the submission of measures proposed by the Legislature shall apply to the measure submitted pursuant to this act. A ballot pamphlet shall be prepared, compiled, and distributed relating to the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976, set forth in Section 1 of this act. The Secretary of State shall distribute the ballot pamphlets to the county clerks not later than 45 days before the election, and the county clerks shall commence to mail those pamphlets to the voters not less than 15 days before the election. The distribution of ballot pamphlets in all respects shall be conducted in accordance with the provisions of Section 3573 of the Elections Code.

SEC. 4. At the special election called by this act there shall be submitted to the electors Section 1 of this act, which shall appear as Proposition 1 at such election. All provisions of this act shall control the submission of Section 1 of this act to, and the holding of, the special election called by this act.

SEC. 5. Upon the effective date of this section, arguments for and against the measure hereby ordered submitted to the electors shall be prepared in the time, form, and manner as provided in Article 1.8 (commencing with Section 3527) of Chapter 1 of Division 4 of the Elections Code.

SEC. 6. The special election provided in this act shall be proclaimed, held, and conducted, the ballots shall be prepared, marked, collected, counted, and canvassed, and the results shall be ascertained and the returns thereof made in all respects in accordance with the provisions of the State Constitution applicable thereto and the law governing elections insofar as provisions thereof are applicable to the election provided in this act; provided, however, that the Governor need not issue his election proclamation until 30 days before the election.

SEC. 7. Notwithstanding any other provision of law, all ballots of said election shall have printed thereon and in a square thereof, the words: "For the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976," and the same square under said words the following in eight-point type: "This act provides for a bond issue of two hundred eighty million dollars ($280,000,000) to be used to meet the recreational requirements of the people of the State of California by acquiring, developing, and restoring real property for state and local park, beach, recreational, and historical resources preservation purposes." In the square immediately below the square containing such words, there shall be printed on said ballot the words, "Against the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976," and in the same square immediately below said words, in eight-point type shall be printed, "This act provides for a bond issue of two hundred eighty million dollars ($280,000,000) to be used to meet the recreational requirements of the people of the State of California by acquiring, developing, and restoring real property for state and local park, beach, recreational, and historical resources preservation purposes." Opposite the words "For the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976," and "Against the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976," there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against said act, and those voting for said act shall do so by placing a cross opposite the words, "For the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976"; provided, that where the voting of said election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, such use of such voting machines and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section. The

Governor of this state shall include the submission of this act to the people, as aforesaid, in his proclamation calling for said election.

SEC. 8. The votes cast for or against the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976 shall be counted, returned, and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appears that said act shall have received a majority of all the votes cast for and against it at said election as aforesaid, then the same shall have effect as hereinbefore provided, and shall be irrepealable until the principal and interest of the liabilities herein created shall be paid and discharged.

SEC. 9. There is hereby appropriated to the Department of Parks and Recreation the sum of one hundred thousand dollars ($100,000) from the Bagley Conservation Fund for advance planning on projects to be financed under subdivisions (a), (b), (c), and (e) of Section 5096.124 of the Public Resources Code.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that this act may provide financing for urgently needed parks, beaches, recreation areas, and historical resources preservation projects, it is necessary that this act go into immediate effect.

CHAPTER 260

An act relating to a special election to be consolidated with the 1976 general election, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1976. Filed with Secretary of State June 24, 1976]

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

SECTION 1. Notwithstanding the provisions of Section 10218 of the Elections Code and the provisions of Section 4 of Senate Bill No. 1321 of the 1975–76 Regular Session of the Legislature, the Nejedly-Hart State, Urban, and Coastal Park Bond Act of 1976 shall appear as the second proposition at the special election proposed to be called by that bill and consolidated with the 1976 general election and shall be designated "Proposition 2."

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

Inasmuch as this act relates to a special election provided in Senate Bill No. 1321 of the 1975–76 Regular Session of the Legislature that

is to be consolidated with the general election to be held on November 2, 1976, it is necessary that this act take effect immediately.

CHAPTER 261

An act relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976.]

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

SECTION 1. The Legislature finds and declares that a special statute is required to prohibit the expansion of the Washington Water and Light Company, a private water corporation operating in an unincorporated area of Yolo County, wherein an election has been called for June 8, 1976, to form a community services district to, among other things, provide water service. This act specifies the period when such expansion shall be prohibited.

SEC. 2. No water corporation, as defined in Section 241 of the Public Utilities Code, operating in Yolo County shall engage in any construction work, for the period specified in Section 3 of this act except where necessary:

(1) To extend service to customers;

(2) To maintain the existing water system;

(3) To meet an emergency; or

(4) To protect the safety and health of the public or any portion thereof.

SEC. 3. No construction work, except as specified in Section 2 of this act, shall be done from the effective date of this act until July 1, 1978. If the proposition creating the community services district is rejected by the voters of east Yolo County on June 8, 1976, this act shall become inoperative.

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

This act is necessary to meet the time requirements for the formation of a community services district in Yolo County. In order that the purposes of this act may not be frustrated, it is essential that this act take immediate effect.

CHAPTER 262

An act relating to school district reorganization, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1976. Filed with Secretary of State June 25, 1976.]

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

SECTION 1. Notwithstanding the provisions of Sections 54902, 54903, 54903.1 or any other provision of Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of the Government Code, the transfer or reorganization of school district territory approved by the electorate of the affected school district or districts at an election conducted in Calaveras County on May 27, 1975, or by the electorate in any other community college district annexation elections in 1975, shall be effective for assessment and taxation purposes for the 1976–77 fiscal year, provided that the statement and map, or plat required by Sections 54900, 54902, and 54903.1 are filed on or before April 15, 1976.

SEC. 2. Notwithstanding Sections 54902, 54902.1, and 54903 of the Government Code, the reorganization of school district territory effected by the Board of Governors of the California Community Colleges pursuant to Section 25457.4 of the Education Code shall be effective for assessment and taxation purposes for the 1976–77 fiscal year, provided the statements, resolutions, and maps or plats required by Sections 54900, 54902, and 54903.1 are filed on or before April 15, 1976.

SEC. 3. If the required documents referred to in either Section 1 or 2 of this act are not filed on or before April 15, 1976, the county superintendent of schools having jurisdiction over the affected school district shall file an equivalent statement and map or plat on or before May 15, 1976.

SEC. 4. If the required documents referred to in either Section 1 or 2 of this act are not filed by the county superintendent of schools where such becomes his responsibility by virtue of Section 3 of this act, on or before May 15, 1976, the Chancellor of the California Community Colleges shall file an equivalent statement and map or plat on or before June 15, 1976.

SEC. 5. Notwithstanding Sections 54902, 54902.1, and 54903 of the Government Code, the reorganization of school district territory effected by the Board of Governors of the California Community Colleges pursuant to Section 25457.4 of the Education Code, or by successful annexation elections in 1975, shall be effective for assessment and taxation purposes for the 1976–77 fiscal year, provided the statements, resolutions and maps or plats required by Sections 54900, 54902, and 54903.1 are filed on or before May 15, 1976, or June 15, 1976, pursuant to Section 3 or Section 4 of this act.

SEC. 6. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that assessment and taxation of property in community college districts and school districts may be accomplished in fiscal year 1976–77 in accordance with district boundary changes which have taken place but which were defective in certain minor respects, it is necessary that this act take effect immediately.

CHAPTER 263

An act to amend an initiative act entitled "An act prescribing the terms upon which licenses may be issued to practitioners of chiropractic, creating the State Board of Chiropractic Examiners and declaring its powers and duties, prescribing penalties for violation hereof, and repealing all acts and parts of acts inconsistent herewith" approved by electors November 7, 1922, by amending Sections 1, 3, 4, 5, and 6 thereof, said amendments to take effect upon the approval thereof by the electors, and providing for the submission thereof to the electors, pursuant to subdivision (c) of Section 24 of Article IV of the State Constitution, relating to chiropractic.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976]

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

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

Section 1. A board is hereby created to be known as the "State Board of Chiropractic Examiners," hereinafter referred to as the board. The board shall consist of seven members appointed by the Governor. Each member shall be a citizen of the United States and shall have been a resident of California for five years. Two members shall be public members. Each licensee member shall have had at least five years of licensure in this state prior to appointment. Each licensee member must have pursued a resident course in an approved chiropractic school or college, and must be a graduate thereof and hold a diploma therefrom.

Not more than two persons shall serve simultaneously as members of said board, whose first diplomas were issued by the same school or college of chiropractic, nor shall more than two members be residents of any one county of the state. And no person who is or

within one year of the proposed appointment has been an administrator, policy board member, or paid employee of any chiropractic school or college shall be eligible for appointment to the board. Each member of the board shall receive a per diem in the amount provided in Section 103 of the Business and Professions Code for each day during which he is actually engaged in the discharge of his duties, together with his actual and necessary travel expenses incurred in connection with the performance of the duties of his office, such per diem, travel expenses and other incidental expenses of the board or of its members to be paid out of the funds of the board hereinafter defined and not from the state's taxes.

SEC. 2. Section 3 of the act cited in the title is amended to read:

Sec. 3. The board shall elect a chairman and a vice chairman and a secretary to be chosen from the members of the board. The board shall employ an executive officer and fix his salary with the approval of the Director of Finance. Elections of the officers shall occur annually at the January meeting of the board. A majority of the board shall constitute a quorum.

It shall require the affirmative vote of four members of said board to carry any motion or resolution, to adopt any rule, or to authorize the issuance of any license provided for in this act. The executive officer shall receive a salary to be fixed by the board, together with his actual and necessary traveling expenses incurred in connection with the performance of the duties of his office, and shall give bond to the state in such sum with such sureties as the board may deem proper. He shall keep a record of the proceedings of the board, which shall at times during business hours be open to the public for inspection. He shall keep a true and accurate account of all funds received and of all expenditures incurred or authorized by the board, and on the first day of December of each year he shall file with the Governor or his designee, a report of all receipts and disbursements and of the proceedings of the board for the preceding fiscal year.

SEC. 3. Section 4 of the act cited in the title is amended to read:

Sec. 4. Powers of board. The board shall have power:

(a) To adopt a seal, which shall be affixed to all licenses issued by the board.

(b) To adopt from time to time such rules and regulations as the board may deem proper and necessary for the performance of its work, the effective enforcement and administration of this act, the establishment of educational requirements for license renewal, and the protection of the public. Such rules and regulations shall be adopted, amended, repealed and established in accordance with the provisions of Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code as it now reads or as it may be hereafter amended by the Legislature.

(c) To examine applicants and to issue and revoke licenses to practice chiropractic, as herein provided.

(d) To summon witnesses and to take testimony as to matters pertaining to its duties; and each member shall have power to

administer oaths and take affidavits.

(e) To do any and all things necessary or incidental to the exercise of the powers and duties herein granted or imposed.

(f) To determine minimum requirements for teachers in chiropractic schools and colleges.

(g) To approve chiropractic schools and colleges whose graduates may apply for licenses in this state. Any school or college having status with the Accrediting Commission of the Council on Chiropractic Education or the equivalent criterion thereof, and meeting the requirements of Section 5 of this act and the rules and regulations adopted by the board shall be eligible for such approval.

(h) The board may employ such investigators, clerical assistants, and other employees as it may deem necessary to carry into effect the provisions of this act, and shall prescribe the duties of such employees.

SEC. 4. Section 5 of the act cited in the title is amended to read:

Sec. 5. License to Practice: Fee: Educational Requirements. It shall be unlawful for any person to practice chiropractic in this state without a license so to do. Any person wishing to practice chiropractic in this state shall make application to the board 45 days prior to any meeting thereof, upon such form and in such manner as may be provided by the board. Proof of graduation from an approved chiropractic school or college must reach the board 15 days prior to any meeting thereof. Each application must be accompanied by a licensee fee of fifty dollars ($50). Except in the cases herein otherwise prescribed, each applicant shall present evidence of having attended, and graduated from, a chiropractic college accredited by or recognized as a candidate for accreditation by the Accrediting Commission of the Council on Chiropractic Education, or the equivalent thereof, and shall present to the board at the time of making such application a diploma from a high school and a transcript of 60 prechiropractic college credits satisfactory to the board, or proof, satisfactory to the board, of education equivalent in training power to such high school and college courses.

The schedule of minimum educational requirements to enable any person to practice chiropractic in this state is as follows, except as herein otherwise provided:

Group 1	
Anatomy, including embryology and histology.....	14%
Group 2	
Physiology	6%
Group 3	
Biochemistry and clinical nutrition	6%
Group 4	
Pathology and bacteriology	10%
Group 5	
Public health, hygiene and sanitation	3%

Group 6	
Diagnosis, dermatology, syphilology and geriatrics, and radiological technology, safety, and interpretation	18%
Group 7	
Obstetrics and gynecology and pediatrics	3%
Group 8	
Principles and practice of chiropractic, physical therapy, psychiatry, and office procedure	25%
Total	85%
Electives	15%

Any applicant who had matriculated at a chiropractic college prior to the effective date of the amendments to this section submitted to the electors by the 1975–1976 Regular Session of the Legislature shall meet all requirements that existed immediately prior to the effective date of those amendments but need not meet the change in requirements made by said amendments.

SEC. 5. Section 6 of the act cited in the title is amended to read:

Sec. 6. (a) The office of the board shall be in the City of Sacramento. Suboffices may be established in Los Angeles and San Francisco, and such records as may be necessary may be transferred temporarily to such suboffices. Legal proceedings against the board may be instituted in any one of the three cities.

(b) The board shall meet as a board of examiners at least twice each calendar year, at such times and places as may be found necessary for the performance of its duties.

(c) Examinations shall be written, oral, and practical, covering chiropractic as taught in chiropractic schools or colleges, designed to ascertain the fitness of the applicant to practice chiropractic. Said examination shall include at least each of the subjects as set forth in Section 5 hereof. Identity of the applicants shall not be disclosed to the examiners until after examinations have been given final grades. A license shall be granted to any applicant who shall make a general average of 75 percent, and not fall below 60 percent in more than two subjects or branches of the examination and receive a 75 percent score in all parts of the practical examination as designated by the board. Any applicant failing to make the required grade shall be given credit for the branches passed, and may, without further cost, take the examination at the next regular examination on the subjects in which he failed. For each year of actual practice since graduation the applicant shall be given a credit of 1 percent on the general average.

(d) An applicant having fulfilled the requirements of Section 5 and paid the fee thereunder, and having obtained a diplomate certificate from the National Board of Chiropractic Examiners, may offer such certificate together with a transcript of grades secured in said national board examination, and the California Board of

Chiropractic Examiners may accept same in lieu of all or a portion of the California board examination as determined by the board.

SEC. 6. Sections 1 through 5 of this act shall become effective only when submitted to and approved by the electors, pursuant to subdivision (c) of Section 24 of Article IV of the Constitution of the state.

SEC. 7. Sections 1 through 5 of this act shall be submitted to the electors at the 1976 November general election, notwithstanding the provisions of Section 3527 of the Elections Code.

CHAPTER 264

An act to add Chapter 5.2 (commencing with Section 25410) to Division 15 of the Public Resources Code, relating to energy, and providing for the preparation, issuance, and sale of state bonds to create a fund to be used by the State Energy Resources Conservation and Development Commission to make loans for financing residential energy insulation and residential solar heating and cooling systems and to finance informational and educational programs respecting energy insulation and solar heating and cooling, and providing for submission of the bond measure to the people at a special election to be consolidated with the 1976 general election.

[Approved by Governor June 25, 1976. Filed with Secretary of State June 25, 1976]

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

SECTION 1. Chapter 5.2 (commencing with Section 25410) is added to Division 15 of the Public Resources Code, to read:

CHAPTER 5.2. RESIDENTIAL ENERGY CONSERVATION LOAN PROGRAM

Article 1. Loans

25410. The commission may, pursuant to this article, establish a program of loans for financing installations in residential structures of energy insulation or solar heating or cooling systems meeting standards established by regulation of the commission in order to promote their widespread use. Responsibility for loan administration of such program shall be vested in the California Housing Finance Agency and shall be defined by a contract with the commission.

The contract shall include, but not be limited to, the following terms for interagency coordination:

(a) Schedule for implementation of the program.

(b) Interagency management team.

(c) Resolution of disagreements.

(d) Funding of activities necessary to establish, plan, set requirements, implement, direct, and administer the program.

25411. The commission shall establish market objectives and technical and market criteria for the loan program in order to best serve the purposes of this chapter and provide the greatest impact, and may limit the types of residential structures eligible for loans, but no loans shall be made with respect to structures of more than four dwelling units. The commission shall determine overall eligibility criteria for the loan program and shall allocate funds available for loans among the various types of eligible residential structures and climatic zones of the state.

The commission shall establish criteria against which each loan application shall be assessed in making the loan decision. These criteria shall provide assurances which shall include, but not be limited to, the following:

(a) That the project is technically well conceived and properly sized for the local climate conditions, building type, and building use.

(b) That the installation is correctly designed for efficient collection of the solar energy, for safety, and for proper integration with the conventional systems.

(c) That the installation will be properly made.

(d) That the economic and life cycle calculations for the installation are correct.

(e) That certain minimum criteria are met by the economic and life cycle calculations.

25412. The California Housing Finance Agency shall be responsible for loan administration of the program.

The agency, pursuant to this article and its contract with the commission, may make loans in connection with new construction or for improvement of an existing structure, but loans shall not be made for solar heating devices for swimming pools except in conjunction with the financing of a complete solar heating or cooling installation for a dwelling.

The agency shall:

(1) Establish the terms of the individual loans.

(2) Endeavor to provide for amortization schedules with respect to loans which will permit timely transfers to the General Fund under Section 25426.

(3) Establish interest rates thereon which may be less than prevailing market rates, but such interest rates shall be sufficient to reimburse the General Fund for interest paid on bonds issued pursuant to Article 2 (commencing with Section 25420) of this chapter.

The agency shall provide for securing the loans through trust deeds or instruments of equivalent security in a manner which will promote and maximize conservation of nonrenewable energy sources while maintaining the fiscal integrity of the program.

The agency shall take such other and further security measures as are necessary to protect the lending institution in the event of

default.

The agency may enter into contracts with private lending institutions in order to best serve the purposes of this chapter and to provide for the screening, processing, awarding, disbursement, servicing, and termination of loans in accordance with criteria established pursuant to Sections 25410 and 25411, and this section.

25413. The Residential Energy Conservation Loan Fund is hereby created in the State Treasury. Moneys in such fund are continuously appropriated to the State Energy Resources Conservation and Development Commission for the purpose of financing installations of residential energy insulation or solar heating or cooling systems through its contract with the California Housing Finance Agency, as provided in this article, for defraying the costs of establishing and administering such loan program, and for transfers to other state funds as required by Article 2 (commencing with Section 25420) of this chapter. Moneys received by the California Housing Finance Agency or the commission on account of payments of the principal of, or interest on, such loans shall be deposited in the fund.

25414. If a state energy financing authority or a state energy credit acceptance corporation is established through legislative enactment, the duties of the California Housing Finance Agency in the loan administration of the Residential Energy Conservation Loan Fund, as provided herein, shall be transferred to such authority or corporation.

Article 2. Bonds

25420. This article shall be known and may be cited as the Residential Energy Conservation Bond Law.

25421. Bonds in the total amount of twenty-five million dollars ($25,000,000), or so much thereof as is necessary, may be issued and sold to provide a fund to be used by the State Energy Resources Conservation and Development Commission to provide loans to finance installations in residential structures of energy insulation and solar heating or cooling systems, as authorized by this chapter. The bonds shall be known and designated as Residential Energy Conservation Bonds. The proceeds of bonds issued pursuant to this article shall be deposited in the Residential Energy Conservation Loan Fund and may be expended only for the purposes specified in this chapter. When sold, such bonds shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California are hereby pledged for the punctual payment of both principal and interest on such bonds as such principal and interest become due and payable.

25422. The bonds authorized by this article shall be prepared, executed, issued, sold, paid and redeemed as provided in the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3, Division 4, Title 2 of the Government Code, and all

of the provisions of that law are applicable to the bonds and to this article, and are hereby incorporated in this article as though set forth in full herein.

25423. As used in this article and for purposes of the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3, Division 4, Title 2 of the Government Code, the following terms shall have the following meanings:

(a) "Bond" means a state general obligation bond issued pursuant to this article.

(b) "Board" or "committee" means the State Energy Resources Conservation and Development Commission, which shall have the powers and duties of the board and committee prescribed by the State General Obligation Bond Law.

(c) "Fund" means the Residential Energy Conservation Loan Fund.

25424. There is hereby appropriated from the General Fund in the State Treasury for the purposes of this article, such sum annually as will be necessary to pay the principal and interest on bonds issued and sold pursuant to the provisions of this article as such principal and interest become due and payable.

25425. There shall be collected each year and in the same manner and at the same time as other state revenue is collected such sum in addition to the ordinary revenues of the state as shall be required to pay the principal and interest on bonds maturing in that year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of such revenue to do and perform each and every act which shall be necessary to collect such additional sum.

25426. On the several dates on which funds are remitted pursuant to Section 16676 of the Government Code for the payment of the then maturing principal and interest on the bonds in each fiscal year, there shall be returned into the General Fund in the State Treasury moneys from the Residential Energy Conservation Loan Fund in an amount which is sufficient for the payment of principal and interest on the bonds then due and payable. In the event moneys transferred from the Residential Energy Conservation Loan Fund to the General Fund on such remittance dates are less than the principal and interest then due and payable with respect to the bonds, then the balance remaining unpaid, together with interest thereon at the rate borne by such bonds compounded semiannually from the date of maturity, shall be returned into the General Fund out of the Residential Energy Conservation Loan Fund as soon thereafter as it shall become available.

SEC. 1.5. Section 1 of this act shall become operative on January 1, 1977, if the people adopt the Residential Energy Conservation Bond Law, as set forth in Section 1 of this act. This section and Sections 2 to 8, inclusive, of this act contain provisions relating to and necessary for the submission of the Residential Energy Conservation Bond Law to the people, and for returning, canvassing, and proclaiming the votes thereon, and shall take effect immediately.

SEC. 2. A special election is hereby called to be held throughout the state on the second day of November, 1976. The special election shall be consolidated with the general election to be held on that date. The consolidated election shall be held and conducted in all respects as if there were only one election and only one form of ballot shall be used. Except as otherwise provided in this act, all of the provisions of law relating to the submission of measures proposed by the Legislature shall apply to the measure submitted pursuant to this act. A ballot pamphlet shall be prepared, compiled, and distributed relating to the Residential Energy Conservation Bond Law as set forth in Article 2 (commencing with Section 25420) of Chapter 5.2 of Division 15 of the Public Resources Code, as proposed by this act. The Secretary of State shall distribute the ballot pamphlets to the county clerks not later than 45 days before the election, and the county clerks shall commence to mail such pamphlets to the voters not less than 15 days before the election. The distribution of ballot pamphlets in all respects shall be conducted in accordance with the provisions of Section 3573 of the Elections Code.

SEC. 3. At the special election called by this act there shall be submitted to the electors Article 2 (commencing with Section 25420) of Chapter 5.2 of Division 15 of the Public Resources Code, as proposed in this act. All provisions of this act shall control the submission of Article 2 (commencing with Section 25420) of Chapter 5.2 of Division 15 of the Public Resources Code, as proposed by this act, and the holding of, the special election called by this act.

SEC. 4. Upon the effective date of this section, arguments for and against the measure hereby ordered submitted to the electors shall be prepared in time, form, and manner as provided in Article 1.8 (commencing with Section 3527) of Chapter 1 of Division 4 of the Elections Code.

SEC. 5. The special election provided for in this act shall be proclaimed, held, conducted, the ballots shall be prepared, marked, collected, counted and canvassed and the results shall be ascertained and the returns thereof made in all respects in accordance with the provisions of the Constitution applicable thereto and the law governing general elections insofar as provisions thereof are applicable to the election provided for in this act; provided, however, that the Governor need not issue his election proclamation until 30 days before the election.

SEC. 6. Notwithstanding any other provision of law, all ballots at said election shall have printed thereon and in a square thereof, the words: "For the Residential Energy Conservation Bond Law" and in the same square under said words the following in eight-point type: "This act provides for a bond issue of twenty-five million dollars ($25,000,000) to provide funds for financing residential energy insulation and residential solar heating and cooling systems." In the square immediately below the square containing such words, there shall be printed on said ballot the words, "Against the Residential Energy Conservation Bond Law," and in the same square

immediately below said words, in eight-point type shall be printed "This act provides for a bond issue of twenty-five million dollars ($25,000,000) to provide funds for financing residential energy insulation and residential solar heating and cooling systems."

Opposite the words "For the Residential Energy Conservation Bond Law," and "Against the Residential Energy Conservation Bond Law," there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against said act, and those voting for said act shall do so by placing a cross opposite the words, "For the Residential Energy Conservation Bond Law," and those voting against the act shall do so by placing a cross opposite the words "Against the Residential Energy Conservation Bond Law," provided, that where the voting of such election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, such use of such voting machines and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section. The Governor of this state shall include the submission of this act to the people, as aforesaid, in his proclamation for such election.

SEC. 7. The votes cast for or against the Residential Energy Conservation Bond Law shall be counted, returned and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appears that said act shall have received a majority of all the votes cast for and against it at said election as aforesaid, then the same shall have effect as hereinbefore provided, and shall be irrepealable until the principal and interest of the liabilities herein created shall be paid and discharged; but if a majority of the votes cast as aforesaid are against the Residential Energy Conservation Bond Law, then the same shall be and become void.

SEC. 8. Upon the effective date of this section, the Secretary of State shall request the Legislative Analyst to prepare an analysis of the measure in accordance with Section 88003 of the Government Code. Such analysis shall be filed with the Secretary of State within the time specified in the Elections Code.

CHAPTER 265

An act to add Section 4010.7 to the Health and Safety Code, relating to fire protection, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1976. Filed with Secretary of State June 25, 1976]

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

SECTION 1. Section 4010.7 is added to the Health and Safety Code, to read:

4010.7. (a) All automatic fire extinguishing systems utilizing water sources shall be classified as follows:

(1) Class 1—systems with direct connection from public water mains only, no pumps other than fire department pumps, no tanks or reservoirs, no physical connection from other water supplies, no antifreeze or other additives of any kind, and all sprinkler drains discharging to atmosphere, dry wells, or other safe outlets.

(2) Class 2—systems same as class 1, except that booster pumps may be installed in the connections from the street mains.

(3) Class 3—systems same as class 1, except with a direct connection from public water supply mains plus one or more of the following: elevated storage tanks, fire pumps taking suction from above-ground covered reservoirs or tanks, and pressure tanks. All storage facilities are filled or connected to public water only and the water in the tank is maintained in a potable condition.

(4) Class 4—systems directly supplied from public mains similar to classes 1 and 2 which have an auxiliary water supply on or available to the premises, or an auxiliary supply located within a reasonably available pumping distance of fire department equipment, or are interconnected with pumps taking suction from reservoirs exposed to contamination, or rivers, ponds, driven wells, mills or other industrial water systems, or where antifreeze or other additives are used.

(5) Class 5—systems with combined industrial and fire extinguishing systems supplied from public water mains only, with or without gravity storage or pump suction tanks.

(b) Automatic fire extinguishing systems using class 1 or class 2 water sources shall not require any backflow protection equipment at the service connection. Automatic fire extinguishing systems using a class 3 water source shall have approved double check valves at the service connection to prevent stagnant water from backflowing into the public potable water system. Automatic fire extinguishing systems using a class 4 water source shall have air gap or reduced pressure backflow protection at the service connection to protect the public potable water system. Automatic fire extinguishing systems using a class 5 water source shall have whatever backflow protection that is determined necessary by the department after an inspection and survey of the premises involved.

Nothing in this section shall preclude the State Department of Health, or a local water purveyor with the concurrence of the state department, from adopting and enforcing additional requirements with respect to automatic fire extinguishing systems, when such requirements are deemed necessary to protect the public health.

SEC. 2. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or

performing any service required to be carried on or performed by it by this act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

No uniform standards for the installation of automatic fire extinguishing systems have been developed and local agencies have developed varying standards, some of which create undue financial hardship on smaller facilities. In order to develop uniform, fair, and reasonable standards which may be met by all such facilities and to maintain all such needed facilities, it is necessary that the standards proposed by this act go into immediate effect

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CHAPTER 266

An act to add Section 5750.10 to the Education Code, relating to prisoner education.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976]

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

SECTION 1. Section 5750.10 is added to the Education Code, to read:

5750.10. This article is repealed on January 1, 1979, and shall have no force or effect on and after that date.

CHAPTER 267

An act to amend Section 1203.5 of the Education Code, relating to school districts.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976]

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

SECTION 1. Section 1203.5 of the Education Code is amended to read:

1203.5. Proceedings pursuant to Section 1203 may be conducted in conjunction with proceedings under Article 2 (commencing with Section 1111) of Chapter 4 of this division, including proceedings by the county committee on school district organization to establish trustee areas or to increase the number of members of the governing board of the school district from five to seven members, or both. In

the event that the number of members of the governing board of the school district is so increased from five to seven members, the terms of office of the board members who take office at the expiration of the terms of office of the board members appointed by the county superintendent of schools shall be determined by lot. The terms of office of the majority of members of the board shall expire on March 31 of the second succeeding odd-numbered year, and the terms of the other members shall expire on March 31 of the first succeeding odd-numbered year. All subsequent members shall serve for four-year terms.

CHAPTER 268

An act to amend Section 1114 of the Education Code, relating to school elections.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976]

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

SECTION 1. Section 1114 of the Education Code is amended to read:

1114. In any school district governing board election the name of any registered voter shall be placed on the ballot if there is filed with the county clerk having jurisdiction not more than 89 days nor less than 68 days prior to the election:

(a) A declaration of candidacy substantially in the form set forth in subdivision (a) of Section 1129, containing the appropriate information in the blank spaces and signed by the registered voter whose name is thereby to be placed on the ballot; or

(b) Nomination by sponsors, substantially in the form set forth in subdivision (b) of Section 1129, containing the appropriate information in the blank spaces and signed by at least three but not more than 10 persons each of whom is a registered voter and a parent of a pupil enrolled in a public school in the district.

No candidate whose declaration of candidacy or nomination by sponsors has been filed for any school district governing board election or county board of education election may withdraw as a candidate after the 68th day prior to the election.

Notwithstanding any other provision of law, no person shall file nomination papers for more than one school office, including a county board of education office, at the same election.

CHAPTER 269

An act to amend Section 38.3 of the San Benito County Water Conservation and Flood Control District Act (Chapter 1598 of the Statutes of 1953), relating to the San Benito County Water Conservation and Flood Control District.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976]

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

SECTION 1. Section 38.3 of the San Benito County Water Conservation and Flood Control District Act (Chapter 1598 of the Statutes of 1953) is amended to read:

Sec. 38.3. Any parcel, parcels, or tract of land may be annexed to a zone if the land will be benefited, and any parcel, parcels, or tract of land within any zone may be excluded if not benefited.

Proceedings for annexation or exclusion may be instituted by the board by resolution specifying its intention to annex or exclude such parcel, parcels, or tract of land, describing the proposed land to be annexed or excluded and specifying a time and place for public hearing on said resolution, which public hearing may be held at any place within the district. Notice of the time and place of said hearing shall be mailed to each landowner in the area sought to be annexed or excluded at his address as shown on the last equalized assessment roll of the county at least 20 days prior to the date of said hearing. The notice shall also be published in a newspaper of general circulation within the district pursuant to Section 6066 of the Government Code.

Other than annexation proceedings instituted by the owner of any parcel, parcels, or tract of land to be annexed, no proceedings for the annexation of any parcel, parcels, or tract of land to a zone shall be instituted until a geological or engineering study shall have been made, which study shall show that the parcel, parcels, or tract of land to be annexed will be benefited.

The alternative, such proceedings may be instituted by the filing with the board a petition signed by 10 percent or more of the owners of the land sought to be annexed or excluded. The petition shall contain:

(a) The name of the zone affected by the annexation or exclusion;

(b) The reason for annexation or exclusion of the land;

(c) A description of the land to be annexed or excluded;

(d) The assent of the petitioners to the annexation or exclusion; and

(e) A request that the described land be annexed to or excluded from the zone.

When the petition has been filed with the board, the board shall fix a time and place for a public hearing thereon, which public

hearing may be held at any place within the district, and cause a notice of such hearing to be given as hereinbefore provided. No land requested to be annexed to a zone shall be so annexed unless the board makes a finding at such hearing that there is sufficient surplus water available within the zone for use on the land to be annexed.

Failure to show cause why the change should not be made by any person interested in or affected by the change is deemed to be his assent to any change the board may make in the zone boundaries.

At the conclusion of the hearing, if it deems the annexation or exclusion of all or part of the land to be for the best interest of the zone, the board may by resolution annex or exclude all or part of the land sought to be annexed or excluded and shall, in such resolution, describe the zone boundaries as changed. If no effective date for such annexation or exclusion is specified in the resolution, then the effective date shall be deemed to be the date of the resolution.

In annexing any such land, the board may provide in such resolution for the levy by the district of an annexation fee upon the taxable property within the annexed area in addition to the taxes or assessments elsewhere in the act authorized to be levied by the district within such zone, and in such case the board shall specify the aggregate amount to be so assessed and the number of years prescribed for assessing such aggregate sum and that substantially equal annual levies or assessments will be made for the purpose of raising such sum over the period so prescribed.

The petitioner, or petitioners, may pay the annexation fee in whole at the time, or within 10 days, of the board's adoption of a resolution of annexation. If the annexation fee is not paid at the time of annexation, or within 10 days thereof, it shall be added to the annual county tax roll in accordance with the board's order, and be a charge against the taxable property upon which the annexation fee was levied and as to which such fee has not been paid and be collected in the same manner as taxes.

Any land or territory annexed to a zone pursuant to this section shall assume and be liable for its proportionate share of any then existing outstanding debts or obligations of the zone.

CHAPTER 270

An act to amend Section 853.6 of the Penal Code, relating to arrest and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976.]

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

SECTION 1. Section 853.6 of the Penal Code is amended to read:

853.6. (a) In any case in which a person is arrested for an offense declared to be a misdemeanor and does not demand to be taken before a magistrate, such person may, instead of being taken before a magistrate, be released according to the procedures set forth by this chapter. If the arresting officer or his superior determines that the person should be released, such officer or superior shall prepare in duplicate a written notice to appear in court, containing the name and address of such person, the offense charged, and the time and place where and when such person shall appear in court. If the person is not released prior to being booked and the officer in charge of the booking or his superior determines that the person should be released, such officer or superior shall prepare such written notice to appear in court.

(b) Unless waived by the person, the time specified in the notice to appear must be at least five (5) days after arrest.

(c) The place specified in the notice shall be the court of the magistrate before whom the person would be taken if the requirement of taking an arrested person before a magistrate were complied with, or shall be an officer authorized by such court to receive a deposit of bail.

(d) The officer shall deliver one copy of the notice to appear to the arrested person, and the arrested person, in order to secure release, must give his written promise so to appear in court by signing the duplicate notice which shall be retained by the officer. Thereupon the arresting officer shall forthwith release the person arrested from custody.

(e) The officer shall, as soon as practicable, file the duplicate notice with the magistrate specified therein. Thereupon the magistrate may fix the amount of bail which in his judgment, in accordance with the provisions of Section 1275 of the Penal Code, will be reasonable and sufficient for the appearance of the defendant and shall indorse upon the notice a statement signed by him in the form set forth in Section 815a of this code. The defendant may, prior to the date upon which he promised to appear in court, deposit with the magistrate the amount of bail thus set. Thereafter, at the time when the case is called for arraignment before the magistrate, if the defendant shall not appear, either in person or by counsel, the magistrate may declare the bail forfeited, and may in his discretion order that no further proceedings shall be had in such case, unless the defendant has been charged with violation of Section 374b or 374e of this code or of Section 11357, 11360, or 13002 of the Health and Safety Code, or a violation punishable under Section 5008.7 of the Public Resources Code, and he has previously been convicted of a violation of such section or punishable under such section, except in cases where the magistrate finds that undue hardship will be imposed upon the defendant by requiring him to appear, the magistrate may declare the bail forfeited and order that no further proceedings shall be had in such case.

Upon the making of such order that no further proceedings be had, all sums deposited as bail shall forthwith be paid into the county treasury for distribution pursuant to Section 1463 of this code.

(f) No warrant shall issue on such charge for the arrest of a person who has given such written promise to appear in court, unless and until he has violated such promise or has failed to deposit bail, to appear for arraignment, trial or judgment, or to comply with the terms and provisions of the judgment, as required by law.

(g) The officer shall indicate on the notice to appear whether he desires the arrested person to be booked as defined in subdivision 21 of Section 7 of this code. In such event, the magistrate shall, before the proceedings are finally concluded, order the defendant to be booked by the arresting agency.

(h) A peace officer may use the written notice to appear procedure set forth in this section for any misdemeanor offense in which the officer has arrested a person pursuant to Section 836 or in which he has taken custody of a person pursuant to Section 847.

(i) If the arrested person is not released pursuant to the provisions of this chapter prior to being booked by the arresting agency, then at the time of booking the arresting officer, the officer in charge of such booking or his superior officer, or any other person designated by a city or county for this purpose shall make an immediate investigation into the background of the person to determine whether he should be released pursuant to the provisions of this chapter. Such investigation shall include, but need not be limited to, the person's name, address, length of residence at that address, length of residence within this state, marital and family status, employment, length of that employment, prior arrest record, and such other facts relating to the person's arrest which would bear on the question of his release pursuant to the provisions of this chapter.

(j) Whenever any person is arrested by a peace officer for a misdemeanor, other than an offense described in subdivision (b) of Section 11357 or subdivision (c) of Section 11360 of the Health and Safety Code, and is not released with a written notice to appear in court pursuant to this chapter, the arresting officer shall indicate, on a form to be established by his employing law enforcement agency, which of the following was a reason for such nonrelease:

(1) The person arrested was so intoxicated that he could have been a danger to himself or to others.

(2) The person arrested required medical examination or medical care or was otherwise unable to care for his own safety.

(3) The person was arrested for one or more of the offenses listed in Section 40302 of the Vehicle Code.

(4) There were one or more outstanding arrest warrants for the person.

(5) The person could not provide satisfactory evidence of personal identification.

(6) The prosecution of the offense or offenses for which the person was arrested or the prosecution of any other offense or

offenses would be jeopardized by immediate release of the person arrested.

(7) There was a reasonable likelihood that the offense or offenses would continue or resume, or that the safety of persons or property would be imminently endangered by release of the person arrested.

(8) The person arrested demanded to be taken before a magistrate or refused to sign the notice to appear.

(9) Any other reason, which shall be specifically stated on the form by the arresting officer.

Such form shall be filed with the arresting agency as soon as practicable and shall be made available to any party having custody of the arrested person, subsequent to the arresting officer, and to any person authorized by law to release him from custody before trial.

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

In order to avoid causing unnecessary revision of forms at considerable expense, it is necessary that this act take effect immediately.

CHAPTER 271

An act to amend Sections 10247.5, 10450.6, 10451.5, 10470, 10470.1, 10471, 10472, 10473, 10473.1, 10474, 10474.5, 10475, 10476, 10477, 10479, and 10483 of, and to amend the heading of Article 3 (commencing with Section 10470) of Chapter 6 of Part 1 of Division 4 of, the Business and Professions Code, relating to real estate licensing revenue.

[Approved by Governor June 25, 1976. Filed with Secretary of State June 25, 1976]

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

SECTION 1. Section 10247.5 of the Business and Professions Code is amended to read:

10247.5. In addition to any other remedies that may exist for violations of this article, any licensee who negotiates a loan wherein the licensee represents that he is not the lender, collects a fee therefore and is in fact the lender, and if by reason thereof said loan is usurious, he shall be liable for damages in the full amount of the commission and expenses charged to the borrower. The Attorney General upon application of the borrower may initiate actions to collect these unlawful charges and all funds collected shall be deposited in the separate account in the Real Estate Fund for the purposes of real estate education, research and recovery. Prior to the commencement of any action by the Attorney General, the

borrower shall have the absolute right to withdraw the application.

SEC. 2. Section 10450.6 of the Business and Professions Code is amended to read:

10450.6. The Real Estate Education, Research and Recovery Fund is hereby abolished. The unencumbered balance of the money in such fund shall be transferred to a separate account in the Real Estate Fund for the purposes of real estate education, research and recovery, in accordance with the provisions of this chapter. One-fourth of the amount of any license fee collected by the commissioner under this part shall be paid into the Treasury of the state to such separate account in the Real Estate Fund. All moneys credited to such account shall be allocated 80 percent for education and research and 20 percent for carrying out the provisions of Article 3 (commencing with Section 10470) of Chapter 6 of this part.

SEC. 2.5. Section 10451.5 of the Business and Professions Code is amended to read:

10451.5. All money paid into the State Treasury and credited to the separate account in the Real Estate Fund pursuant to Section 10450.6 is available for appropriation by the Legislature to be used by the commissioner in carrying out the provisions of this part and Chapter 1 (commencing with Section 11000) of Part 2 in the advancement of education and research in real estate at the University of California, state colleges and community colleges, or in contracting for a particular research project in the field of real estate for the state at any university in the State of California accredited by the Western Association of Schools and Colleges, and is a continuing appropriation in carrying out the provisions of Article 3 (commencing with Section 10470) of Chapter 6 of this part.

SEC. 3. The heading of Article 3 (commencing with Section 10470) of Chapter 6 of Part 1 of Division 4 of the Business and Professions Code is amended to read:

Article 3. Real Estate Education, Research and Recovery

SEC. 4. Section 10470 of the Business and Professions Code is amended to read:

10470. If on June 30 of any year, the balance remaining in the separate account in the Real Estate Fund for purposes of real estate education, research and recovery and allocated for purposes other than real estate education and research is less than two hundred thousand dollars ($200,000), every licensed broker, when obtaining or renewing any such license within four years thereafter, shall pay, in addition to the license fee, a fee of seven dollars ($7), and every licensed salesman, when obtaining or renewing such license within four years thereafter, shall pay, in addition to the license fee, a fee of four dollars ($4). Said fees from both broker and salesman licensees shall be paid into the State Treasury and credited to the separate account in the Real Estate Fund for purposes of real estate education, research and recovery, and said deposits shall be allocated

solely for the purposes provided in this article.

SEC. 5. Section 10470.1 of the Business and Professions Code is amended to read:

10470.1. (a) In addition to the amount allocated for recovery purposes as set forth in Section 10450.6, the Real Estate Commissioner may authorize the transfer from the Real Estate Fund to the separate account in such fund for education, research, and recovery purposes to be allocated for recovery purposes such amount or amounts that he deems necessary.

(b) If the balance remaining in the separate account in the Real Estate Fund for education, research, and recovery purposes and allocated for recovery purposes contains more than four hundred thousand dollars ($400,000) the Real Estate Commissioner may authorize the transfer of all or part of such surplus amount to the Real Estate Fund.

(c) If the balance remaining in the separate account in the Real Estate Fund for education, research, and recovery purposes and allocated for education and research purposes contains more than four hundred thousand dollars ($400,000) the Real Estate Commissioner may authorize the transfer of all or part of such surplus amount to the Real Estate Fund.

(d) The Real Estate Commissioner may authorize the return to the separate account in the Real Estate Fund for education, research, and recovery purposes of all or part of any amount previously transferred to the Real Estate Fund under the provisions of this section.

SEC. 6. Section 10471 of the Business and Professions Code is amended to read:

10471. When any aggrieved person obtains a final judgment in any court of competent jurisdiction against any person or persons licensed under this part, under grounds of fraud, misrepresentation, deceit, or conversion of trust funds arising directly out of any transaction when the judgment debtor was licensed and performed acts for which a license is required under this part, and which cause of action occurred on or after July 1, 1964, the aggrieved person may, upon the judgment becoming final, file a verified application in the court in which the judgment was entered for an order directing payment out of the separate account in the Real Estate Fund for education, research, and recovery purposes of the amount of actual and direct loss in such transaction up to the sum of ten thousand dollars ($10,000) of the amount unpaid upon the judgment, provided that nothing shall be construed to obligate such separate account for more than ten thousand dollars ($10,000) per transaction regardless of the number of persons aggrieved or parcels of real estate involved in such transaction.

In the case of a small claims court judgment, the aggrieved person shall file the verified application in the justice or municipal court in which the judgment was entered in favor of the aggrieved person. Such court shall then make a determination as to whether the small

claims court judgment was based on facts constituting grounds for recovery under this section and may enter an order directing payment of such small claims court judgment out of the separate account in the Real Estate Fund for education, research, and recovery purposes.

A copy of the verified application shall be served upon the commissioner and the judgment debtor and a certificate or affidavit of such service filed with the court.

SEC. 7. Section 10472 of the Business and Professions Code is amended to read:

10472. The court shall conduct a hearing upon such application 30 days after service of the application upon the Real Estate Commissioner. Upon petition of the Real Estate Commissioner, the court shall continue the hearing up to 60 days further; and upon a showing of good cause may continue the hearing for such further period as the court deems appropriate. At the hearing the aggrieved person shall be required to show:

(a) He is not a spouse of debtor, or the personal representative of such spouse.

(b) He has complied with all the requirements of this article.

(c) He has obtained a judgment as set out in Section 10471, stating the amount thereof and the amount owing thereon at the date of the application.

(d) He has made all reasonable searches and inquiries to ascertain whether the judgment debtor is possessed of real or personal property or other assets, liable to be sold or applied in satisfaction of the judgment.

(e) That by such search he has discovered no personal or real property or other assets liable to be sold or applied, or that he has discovered certain of them, describing them, owned by the judgment debtor and liable to be so applied, and that he has taken all necessary action and proceedings for the realization thereof, and that the amount thereby realized was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due on the judgment after application of the amount realized.

(f) That he has diligently pursued his remedies against all the judgment debtors and all other persons liable to him in the transaction for which he seeks recovery from the separate account in the Real Estate Fund for education, research, and recovery purposes.

(g) That he is making said application no more than one year after the judgment becomes final.

SEC. 8. Section 10473 of the Business and Professions Code is amended to read:

10473. Whenever the court proceeds upon an application as set forth in Section 10471, it shall order payment out of the separate account in the Real Estate Fund for education, research, and recovery purposes only upon a determination that the aggrieved party has a valid cause of action within the purview of Section 10471

and has complied with the provisions of Section 10472.

The judgment shall be only prima facie evidence of such cause of action and for the purposes of this article shall not be conclusive. The commissioner may defend any such action on behalf of the fund and shall have recourse to all appropriate means of defense and review including examinations of witnesses.

The commissioner may move the court at any time to dismiss the application when it appears there are no triable issues and the petition is without merit. The motion may be supported by affidavit of any person or persons having knowledge of the facts, and may be made on the basis that the petition, and the judgment referred to therein, does not form the basis for a meritorious recovery claim within the purview of Section 10471; provided, however, the commissioner shall give written notice at least 10 days before such motion.

The commissioner may, subject to court approval, compromise a claim based upon the application of an aggrieved party. He shall not be bound by any prior compromise or stipulation of the judgment debtor.

SEC. 9. Section 10473.1 of the Business and Professions Code is amended to read:

10473.1. The commissioner may defend any such action on behalf of the separate account in the Real Estate Fund for education, research, and recovery purposes and shall have recourse to all appropriate means of defense and review, including examination of witnesses. The judgement debtor may defend any such action on his own behalf and shall have recourse to all appropriate means of defense and review, including examination of witnesses. Whenever an applicant's judgment is by default, stipulation, or consent, or whenever the action against the licensee was defended by a trustee in bankruptcy, the applicant shall have the burden of proving his cause of action for fraud, misrepresentation, deceit, or conversion of trust funds. Otherwise, the judgment shall create a rebuttable presumption of the fraud, misrepresentation, deceit, or conversion of trust funds. This presumption is a presumption affecting the burden of producing evidence.

SEC. 10. Section 10474 of the Business and Professions Code is amended to read:

10474. If the court finds after the hearing that said claim should be levied against the portion of the separate account in the Real Estate Fund for education, research, and recovery purposes allocated for the purpose of carrying out the provisions of this article, the court shall enter an order directed to the commissioner requiring payment from the separate account in the Real Estate Fund for education, research, and recovery purposes of whatever sum it shall find to be payable upon the claim pursuant to the provisions of and in accordance with the limitations contained in this article.

Notwithstanding any other provision of this article, the liability of that portion of the separate account in the Real Estate Fund for

education, research, and recovery purposes allocated for the purposes of this article shall:

(a) Not exceed twenty thousand dollars ($20,000) for any one licensee for which the cause of action occurred on or after July 1, 1964, and prior to January 1, 1975.

(b) Not exceed forty thousand dollars ($40,000) for any one licensee for which the cause of action occurred on or after January 1, 1975.

SEC. 11. Section 10474.5 of the Business and Professions Code is amended to read:

10474.5. If the twenty thousand dollars ($20,000) or forty thousand dollars ($40,000) liability of the separate account in the Real Estate Fund for education, research, and recovery purposes, whichever is applicable, as provided for in Section 10474 is insufficient to pay in full the valid claims of all aggrieved persons by whom claims have been filed against any one licensee, such twenty thousand dollars ($20,000) or forty thousand dollars ($40,000) shall be distributed among them in the ratio that their respective claims bear to the aggregate of such valid claims, or in such other manner as the court deems equitable. Distribution of such moneys shall be among the persons entitled to share therein, without regard to the order of priority in which their respective judgments may have been obtained or their claims have been filed. Upon petition of the separate account in the Real Estate Fund for education, research, and recovery purposes, the court may require all claimants and prospective claimants against one licensee to be joined in one action, to the end that the respective rights of all such claimants to the separate account in the Real Estate Fund for education, research, and recovery purposes may be equitably adjudicated and settled.

SEC. 12. Section 10475 of the Business and Professions Code is amended to read:

10475. Should the commissioner pay from the separate account in the Real Estate Fund for education, research, and recovery purposes any amount in settlement of a claim or toward satisfaction of a judgment against a licensed broker or salesman, the license of the broker or salesman shall be automatically suspended upon the effective date of an order by the court as set forth herein authorizing payment from the separate account in the Real Estate Fund for education, research, and recovery purposes. No such broker or salesman shall be granted reinstatement until he has repaid in full, plus interest at the rate of 4 percent a year, the amount paid from the separate account in the Real Estate Fund for education, research, and recovery purposes on his account. A discharge in bankruptcy shall not relieve a person from the penalties and disabilities provided in this article.

SEC. 13. Section 10476 of the Business and Professions Code is amended to read:

10476. If, at any time, the money deposited in the separate account in the Real Estate Fund for education, research, and

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recovery purposes and allocated for purposes other than real estate education and research is insufficient to satisfy any duly authorized claim or portion thereof, the commissioner shall, when sufficient money has been deposited in the separate account in the Real Estate Fund for education, research, and recovery purposes, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally filed, plus accumulated interest at the rate of 4 percent a year.

SEC. 14. Section 10477 of the Business and Professions Code is amended to read:

10477. Any sums received by the commissioner pursuant to any provisions of this article shall be deposited in the State Treasury and credited to the separate account in the Real Estate Fund for education, research, and recovery purposes, and said sums shall be allocated exclusively for the purposes provided in this article.

SEC. 15. Section 10479 of the Business and Professions Code is amended to read:

10479. When, upon the order of the court, the commissioner has paid from the separate account in the Real Estate Fund for education, research, and recovery purposes any sum to the judgment creditor, the commissioner shall be subrogated to all of the rights of the judgment creditor and the judgment creditor shall assign all his right, title and interest in the judgment to the commissioner and any amount and interest so recovered by the Real Estate Commissioner on the judgment shall be deposited to the separate account in the Real Estate Fund for education, research, and recovery purposes.

SEC. 16. Section 10483 of the Business and Professions Code is amended to read:

10483. Nothing contained herein shall limit the authority of the commissioner to take disciplinary action against any licensee for a violation of any of the provisions of the Real Estate Law, or of Chapter 1 of Part 2 of this division, or of the rules and regulations of the commissioner; nor shall the repayment in full of all obligations to the separate account in the Real Estate Fund for education, research, and recovery purposes by any licensee nullify or modify the effect of any other disciplinary proceeding brought pursuant to the provisions of the Real Estate Law.

CHAPTER 272

An act to amend Section 14800 of the Financial Code, relating to credit unions.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976]

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

SECTION 1. Section 14800 of the Financial Code is amended to read:

14800. (a) Every credit union may:

(1) Admit to membership, those persons qualified for membership, upon payment of an entrance fee or the purchase of a share in the credit union.

(2) Issue shares to any qualified member and issue such shares in joint tenancy to the member and any person designated by such member. If the shares are issued in joint tenancy with a member and any other person not a member, there shall be printed on the certificate or other evidence of shares, the words "Transferable only to qualified members."

(3) Charge a reasonable fee for the transfer of its shares.

(b) A credit union may issue shares or investment certificates to a minor of any age or maintain any other account authorized for credit union members for a minor, and receive payments thereon by or for such minor. Such minor is entitled to withdraw, transfer, or pledge any shares or certificates or other moneys owned by him and to receive from the credit union all dividends, interest, or other money due thereon in the same manner and subject to the same conditions as an adult. The receipt or acquittance of a minor whose parent or guardian has consented to the account, whether before or after any transaction therein, constitutes a valid release and discharge of the credit union for the payment of dividends, interest, or other money due to such minors.

(c) Shares or certificates for funds owned in joint tenancy and all dividends and interest thereon may be paid to any of the joint tenants during their lifetime or to the survivor or any one of the survivors of them after the death of one or more of the joint tenants. By written instructions of all joint tenants given to the credit union, the joint tenants may require the signatures of more than one of such persons during their lifetimes or of more than one of the survivors after the death of any one of them on any notice of withdrawal, request for withdrawal, check endorsement or receipt, in which case the credit union shall pay withdrawals, dividends and interest only in accordance with such instructions, but no such instructions shall limit the right of the sole survivor or of all of the survivors to receive withdrawal payments, dividends and interest. Payment as provided in this section and the receipt or acquittance by any joint tenant is a valid and sufficient release and discharge of the depository credit union for all payments made on account of shares or certificates for funds owned in joint tenancy prior to the receipt by such credit union of notice in writing from any one of them not to make payments in accordance with the terms of such shares or certificates for funds or of such written instructions. After receipt of such notice a credit union may refuse, without liability, to pay withdrawals, dividends, or interest pending a determination of the rights of the parties.

CHAPTER 273

An act to amend Sections 21102, 21104, 21106, 21107, 21109, and 21113 of, and to add Sections 21107.6 and 21119 to, the Education Code, relating to school funds.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976]

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

SECTION 1. Existing statutory provisions require school districts to be completely fiscally independent of, or completely fiscally dependent to, the county superintendent of schools. It is the intent of the Legislature to provide an alternative to school districts that do not wish complete independence or dependence. This act permits recognition of district competence through fiscal accountability, minimizes duplication of effort between school districts and county offices, grants increased control at the local level while maintaining adequate safeguards over the expenditure of public funds.

SEC. 2. Section 21102 of the Education Code is amended to read:

21102. All payments from the funds of a school district shall be made by written order of the governing board of the district. Orders shall be on forms prescribed by the county superintendent of schools. Forms may be printed and furnished by the board of supervisors or the county superintendent of schools.

SEC. 3. Section 21104 of the Education Code is amended to read:

21104. The governing board of each school district shall be responsible for filing or causing to be filed with the county superintendent of schools the verified signature of each person, including members of the governing board, authorized to sign orders in its name. Except for districts determined to be fiscally accountable pursuant to Section 21119, no order on the funds of any school district shall be approved by the county superintendent of schools unless the signatures are on file in his office and he is satisfied that the signatures on the order are those of persons authorized to sign the order.

SEC. 4. Section 21106 of the Education Code is amended to read:

21106. Each order drawn against the funds of a school district shall be transmitted to the county superintendent of schools, and, if approved and signed by him shall become a requisition on the county auditor. The county superintendent may prescribe alternative procedures for districts determined to be fiscally accountable pursuant to Section 21119.

SEC. 5. Section 21107 of the Education Code is amended to read:

21107. The county superintendent of schools may examine each order on school district funds transmitted to him, in the order in which it is received in his office. If it appears that the order is

properly drawn for the payment of legally authorized expenses against the proper funds of the district, and that there are sufficient moneys in the fund or funds against which the order is drawn to pay it, he shall indorse upon it "examined and approved," and shall, in attestation thereof, affix his signature and number and date the requisition and transmit it directly to the county auditor, in the order in which the order is received in his office. The county superintendent may prescribe alternative methods for districts determined to be fiscally accountable pursuant to Section 21119.

SEC. 6. Section 21107.6 is added to the Education Code, to read:

21107.6. At any time during a fiscal year, the county superintendent may audit the expenditures and internal controls of school districts he determines to be fiscally accountable. The county superintendent shall report his findings and recommendation to the governing board of the district. The governing board shall, no later than 15 days after receipt of such report, notify the county superintendent of schools of its proposed actions on his recommendation. Upon review of the governing board report, the county superintendent, at his discretion, may revoke the authority for the district to be fiscally accountable pursuant to Section 21119.

SEC. 7. Section 21109 of the Education Code is amended to read:

21109. The county auditor may examine each order and requisition on school district funds transmitted to him by the county superintendent of schools. If he allows the order and requisition, he shall indorse thereon "examined and allowed," and shall date, number, and sign it, whereupon it shall become a warrant on the county treasurer. The auditor shall detach any bill attached to the requisition, and shall number the bill, giving it the same number which he gives the warrant, and file it in his office. He shall thereupon return the order, requisition, and warrant to the county superintendent of schools who shall transmit it to the governing board of the school district for issuance to the payee or to his order.

Any requisition of the county superintendent of schools, whether based upon written order of the governing board of a school district or authorized by law, shall constitute full authority for the signature for allowance thereof by the county auditor as a warrant on the county treasurer, and no other authority shall be necessary or required for such action by the county auditor.

"Requisition," as used in this section, includes any order or demand signed by the county superintendent of schools directing the county auditor to draw his warrant on the county treasurer.

SEC. 8. Section 21113 of the Education Code is amended to read:

21113. The superintendent of schools of each county shall keep, open to the inspection of the public, a register of warrants, showing the fund upon which the requisitions have been drawn, the number, in whose favor, and for what purpose they were drawn.

The county superintendent shall prescribe rules for school districts he determines to be fiscally accountable, pursuant to Section 21119, that retain copies of warrants and supporting documents within the

district files.

SEC. 9. Section 21119 is added to the Education Code, to read:

21119. With the approval of the county superintendent of schools, the governing board of a school district or community college district may cause warrants to be drawn on the county treasury against designated funds, except debt service, of the district in the county treasury in the payment of expenses of the district. The warrants for salary and other types of claims designated by the county superintendent shall be issued by a person designated as the district disbursing officer for the school district on the county treasury in favor of the persons entitled thereto in payment of all claims in designated categories chargeable against the district which have been legally examined, allowed, and ordered paid by the governing board. The district disbursing officer shall issue warrants, using procedures prescribed by the county auditor, on the county treasury for all debts and demands, within categories designated by the county superintendent, against the district when amounts are legally approved. The form of the warrant shall be prescribed by, and approved by, the county auditor or county treasurer having jurisdiction.

The cost of printing warrants may be charged to the district. Notwithstanding Section 17151, except for assessing and tax collecting, the county auditor and county treasurer may charge those districts that draw their own warrants for the cost of all fiscal services.

Notwithstanding Section 27005 of the Government Code, or any other provision of law requiring orders for warrants or warrants to be signed by the county superintendent of schools or the county auditor, or both, the county superintendent and county auditor may prescribe alternative procedures for districts to issue warrants. The district disbursing officer shall not be considered a deputy county superintendent of schools or a deputy county auditor. The county treasurer shall pay the warrant in the designated category, if district funds are available.

County officers shall not be responsible for providing reports, statements, or other data relating to, or based on, the designated payments of expenses of the district. Those districts issuing warrants, as provided by this section, shall provide the county superintendent of schools, in the form prescribed by him, with the data necessary to make retirement reports and other reports required of him by law. All warrants, vouchers, and supporting documents shall be kept by school districts that draw their own warrants in those designated categories.

The county superintendent shall provide for a periodic review of the districts' financial transactions and internal controls pursuant to Section 21107.6.

County superintendents of schools may provide fiscal, budgetary, and data-processing services through contractual agreements to school districts that have been determined to be fiscally accountable under the provisions of this section.

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The person authorized by the governing board of the district to issue warrants, pursuant to this section, shall execute an official bond in an amount fixed by the governing board conditioned upon the faithful performance of his duties under this section. A county superintendent or county auditor shall not be liable under the terms of their bonds or otherwise for any warrant issued pursuant to this section. This section shall not be construed as impairing the obligation of any contract in the bond of such officer in effect on January 1, 1977.

A listing of the warrants issued under this section by each school district shall be forwarded to the county auditor having jurisdiction, upon his request, and to the county superintendent of schools having jurisdiction over the district on the same day warrants are issued. The listing, which may be magnetic tape, punched cards, or in other form, shall report, among other things, the warrant number, date of the warrant, amount of the warrant, the name of the payee, and the fund on which drawn. The form and content of the warrant listing shall be as prescribed by the county auditor or county superintendent and approved by the county auditor or county superintendent having jurisdiction.

Each district which issues warrants pursuant to this section shall furnish monthly to the county superintendent of schools and the county auditor of the county of jurisdiction, upon his request, a statement showing for the current fiscal year to date, for each required expenditure classification, the amount budgeted, actual expenditures, encumbrances and unencumbered balances.

In order to obtain the approval of the county superintendent of schools and county auditor for fiscally accountable status, the governing board of a school district shall file a written application with the county superintendent of schools and county auditor having jurisdiction on forms which the county superintendent shall prescribe. Upon receipt of an application from the district, the county superintendent shall cause an audit to be made of the district's management and accounting controls, in accordance with standards prescribed by him, by an independent certified public accountant or public accountant approved by the county superintendent, who shall report his findings and recommendations to the county superintendent and to the applicant district. The audit report may include Department of Finance guidelines and other assessments of fiscal management as required by the county superintendent or the audit may be the report of the annual district audit pursuant to Section 17206 if that is acceptable to the county superintendent of schools. The cost of the audit required in support of a district's application for fiscal accountability shall be borne by the applicant district.

The county superintendent and county auditor shall review the district's application and report of financial management and control and may approve the application if they find the management and accounting controls of the district to be adequate. If the county

superintendent and county auditor determine that such management and accounting controls are inadequate, they shall disapprove the application.

A district that applies for fiscal accountability status shall file its written application with the county superintendent of schools on or before September 1. The required audit of financial management and accounting controls shall be filed on or before January 1. When a district's application for fiscal accountability status has been approved by the county superintendent of schools and county auditor, the issuance of warrants by the district pursuant to this section shall be effective at the beginning of a fiscal year, provided that approval had been made prior to the preceding first day in March. If disapproved, the county superintendent of schools shall state the specific steps which must be taken by the applicant school district to receive approval and these changes shall be certified as completed by an independent certified public accountant or public accountant before the county superintendent shall approve the application. If at any time the county superintendent of schools or the county auditor determines that the financial management or accounting controls of the district have become inadequate, either such officer may revoke approval for fiscal accountability status effective immediately.

CHAPTER 274

An act to add Section 31035 to the Water Code, relating to county water districts.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 25, 1976]

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

SECTION 1. Section 31035 is added to the Water Code, to read:

31035. A district may undertake a water conservation program to reduce water use and may require as a condition of new service that reasonable water-saving devices and water reclamation devices be installed to reduce water use.

CHAPTER 275

An act to amend Sections 17303.6, 17402, and 17407 of, to add Sections 18151, 25502.1, and 25506.5 to, and to repeal Section 18151 of, the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. The Legislature finds and declares that state programs of support for community college students with exceptional needs have developed over time in response to specific needs of identifiable groups. Consequently, there are at least seven separate state programs providing support to enable these individuals to attend community colleges. These programs were established independently and require separate accounting, auditing, and reporting procedures both at the institutional level and within the office of the Chancellor of the California Community Colleges. One effect of these duplicative accounting and reporting procedures is that much of the state support currently allocated by law for these students is not being effectively utilized.

The Legislature finds and declares that community colleges provide a valuable educational and training resource for many individuals with exceptional needs, and that the existing funding structure of state support for these persons needs revision in order to provide them with appropriate educational opportunities within existing statutory support limitations.

This act is intended to enhance opportunities within community colleges for handicapped students, but not to limit such students as to the type of postsecondary institution, if any, they attend.

It is the further intent of the Legislature that individuals with exceptional needs shall be placed in regular education programs when special educational services are no longer required.

SEC. 2. Section 17303.6 of the Education Code is amended to read:

17303.6. The amount transferred to Section B of the State School Fund pursuant to subdivisions (b) and (c) of Section 17301.1 shall be expended in accordance with the following schedule:

(a) Two hundred eighty-nine dollars and seventy cents ($289.70) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for basic aid and equalization aid to be apportioned to community college districts on account of average daily attendance.

(b) Twelve dollars and nineteen cents ($12.19) multiplied by the average daily attendance during the preceding school year credited for purposes of state apportionments to all community college districts for the purpose of Article 12 (commencing with Section 18151) of this chapter.

SEC. 3. Section 17402 of the Education Code is amended to read:

17402. The Superintendent of Public Instruction shall on or before February 20th of each year apportion to each elementary school district, high school district, community college district, county school service fund, and county school tuition fund the total amounts allowed to them under Sections 6426, 17751, 17801, 17851,

17901, 17902, 17904, 17951, 17952, 18060, 18062, 18102, 18102.2, 18102.4, 18102.6, 18102.9, 18151, 18352, 18355, 18358, 18401, and Sections 18451 to 18456, inclusive, whichever are in effect. This apportionment shall be called the first principal apportionment.

SEC. 4. Section 17407 of the Education Code is amended to read:

17407. The Superintendent of Public Instruction shall on or before June 25th of each year apportion to each elementary school district, high school district, community college district, county school service fund, and county school tuition fund the total amounts allowed to them under Sections 6426, 17751, 17801, 17851, 17901, 17902, 17904, 17951, 17952, 18060, 18062, 18102, 18102.2, 18102.4, 18102.6, 18102.9, 18151, 18352, 18355, 18358, 18401, and Sections 18451 to 18456, inclusive, whichever are in effect. This apportionment shall be called the second principal apportionment.

SEC. 5. Section 18151 of the Education Code is repealed.

SEC. 6. Section 18151 is added to the Education Code, to read:

18151. (a) The Chancellor of the California Community Colleges shall apportion to each community college district for the purpose of funding the excess direct district cost of providing special facilities, special educational material, educational assistance, mobility assistance, transportation, and program developmental services for handicapped students enrolled at a community college as defined in Section 25506.5, who have demonstrated a need for such services, an amount not exceeding seven hundred eighty-five dollars ($785) in each fiscal year for each such handicapped student.

(b) The Board of Governors of the California Community Colleges shall adopt rules and regulations for determining program and service components and appropriation of resources to community college districts pursuant to Section 25506.5. Such rules and regulations shall be based upon guidelines, developed and approved by both the chancellor and the Director of Rehabilitation after public hearings, and shall be appropriate to the educational needs of handicapped students enrolled at a community college.

The chancellor and the Director of Rehabilitation shall incorporate suggestions from other interested persons and organizations in the guidelines where feasible and appropriate.

If the chancellor and the Director of Rehabilitation are unable to agree upon any portion or portions of the guidelines, each may submit guidelines to the board of governors, which may base the rules and regulations which it adopts on any combination of guidelines submitted.

(c) Each community college district receiving an allowance under this section shall report to the chancellor on forms and at such times as he shall provide, all expenditures and incomes related to handicapped students for whom such allowances are made. If the chancellor determines that the current expense of educating such students does not equal or exceed the sum of basic state aid and state equalization aid provided in the regular community college foundation program per unit of average daily attendance, the

allowance provided under this section and any amount of local tax funds contributed to the foundation program for each such handicapped student in average daily attendance in the district, then the amount of such deficiency shall be withheld from state apportionments to the district in the succeeding fiscal year in accordance with the procedure prescribed in Section 17414.

(d) The chancellor and the Director of Rehabilitation shall review programs for handicapped students funded pursuant to this section and shall report, jointly or separately, their findings and recommendations to the Legislature not later than February 15, 1978. The report shall include recommendations relative to appropriate levels of support for programs and services for handicapped students and further improvements in funding procedures.

(e) Notwithstanding subdivision (a), the chancellor may, upon recommendation of the Director of Rehabilitation, allocate amounts up to twice the amount authorized in subdivision (a) to provide for excess costs of educational services for severely disabled students as defined pursuant to subdivision (c) of Section 25506.5; provided, however, that any allocations made pursuant to this subdivision (e) shall not result in an increase in the total amount of funds allocated pursuant to this section. Allocations in excess of seven hundred eighty-five dollars ($785) per student shall be provided only to programs identified by the chancellor and the Director of Rehabilitation in accordance with rules and regulations adopted pursuant to subdivision (b).

(f) In the event that requests for apportionments exceed the amount of state funds statutorily available, the chancellor shall apportion the statutorily available funds among community college districts applying for such funds in accordance with guidelines established and approved by the chancellor and the Director of Rehabilitation pursuant to this section. State apportionments shall be made only to districts which certify that all appropriate federal and local funds available for programs for handicapped students are being utilized.

(g) The chancellor's office and the Department of Rehabilitation shall jointly develop guidelines governing expenditures relating to handicapped students to prevent duplication in state expenditures for such students.

SEC. 7. Section 25502.1 is added to the Education Code, to read:

25502.1. Every community college district shall provide access to its services, classes, and programs without regard to race, religious creed, color, national origin, ancestry, handicap, or sex.

SEC. 8. Section 25506.5 is added to the Education Code, to read:

25506.5. (a) The Board of Governors of the California Community Colleges shall adopt rules and regulations for determining program and service components and appropriation of resources to individual college districts for the education of handicapped students. Such rules and regulations shall be based

upon guidelines developed and approved by both the chancellor and the Director of Rehabilitation and shall be appropriate to the needs for education of handicapped students enrolled at a community college.

(b) As used in this section, "handicapped students" are persons enrolled at a community college who cannot benefit from the regular educational program provided by the community college at which such students are enrolled, without special services and programs, because of a physical, communication, or learning disability as defined by the Director of Rehabilitation in cooperation with the Chancellor of the California Community Colleges, following public hearings. Such a disability shall be defined in a manner consistent with the definitions given in this subdivision.

"Physical disability" means a disability attributable to a vision, mobility, orthopedic, or other health impairment. "Communication disability" means a disability attributable to a speech or hearing impairment. "Learning disability" means a disability attributable to a neurological, biochemical, or developmental impairment.

(c) The Director of Rehabilitation shall also, after public hearings and consultation with the chancellor, define "severely disabled students" for purposes of funding the excess costs of such students as authorized by subdivision (e) of Section 18151.

SEC. 8.5. If rules and regulations have not been adopted and become effective pursuant to Section 18151 of the Education Code (as enacted by Section 6 of this act) by June 25, 1976, the Chancellor of the California Community Colleges shall apportion from the funds available pursuant to subdivision (b) of Section 17303.6 of the Education Code in fiscal year 1975–76, amounts necessary to fund the excess direct costs of providing the facilities, material, assistance, and services referred to in Section 18151.

SEC. 9. In lieu of the schedule of expenditures set forth in paragraphs (2), (3), (4), and (5) of subdivision (b) of Item 350.1 of the Budget Act of 1975 (Chapter 176 of the Statutes of 1975), the schedule of expenditures prescribed by subdivision (b) of Section 17303.6, as amended by this act, shall prevail, and shall govern the expenditure of funds from Section B of the State School Fund.

This act is not intended and shall not be construed to supersede any portion of Item 350.1 of the Budget Act of 1975, except for paragraphs (2), (3), (4), and (5) of subdivision (b) thereof.

Paragraph (1) of subdivision (b) of Item 350.1 of the Budget Act of 1975 shall supersede subdivision (a) of Section 17303.6 of the Education Code, as amended by this act, for the remainder of the 1975–76 fiscal year.

SEC. 9.5. In lieu of the schedule of expenditures set forth in paragraphs (2), (3), (4), and (5) of subdivision (b) of Item 366 of the Budget Act of 1976, the schedule of expenditures prescribed by subdivision (b) of Section 17303.6, as amended by this act, shall prevail, and shall govern the expenditure of funds from Section B of the State School Fund.

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This act is not intended, and shall not be construed, to supersede any portion of Item 366 of the Budget Act of 1976, except for paragraphs (2), (3), (4), and (5) of subdivision (b) thereof.

Paragraph (1) of subdivision (b) of Item 366 of the Budget Act of 1976 shall supersede subdivision (a) of Section 17303.6 of the Education Code, as amended by this act, for the 1976–77 fiscal year.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that funds appropriated for handicapped students attending community college may be more effectively utilized for the 1975–76 school year, which commenced July 1, 1975, it is essential that this act go into effect immediately.

CHAPTER 276

An act to add Section 1094.6 to the Code of Civil Procedure, relating to local agencies.

[Approved by Governor June 25, 1976. Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 1094.6 is added to the Code of Civil Procedure, to read:

1094.6. (a) Judicial review of any decision of a local agency, other than school district, as the term local agency is defined in Section 54951 of the Government Code, or of any commission, board, officer or agent thereof, may be had pursuant to Section 1094.5 of this code only if the petition for writ of mandate pursuant to such section is filed within the time limits specified in this section.

(b) Any such petition shall be filed not later than the 90th day following the date on which the decision becomes final. If there is no provision for reconsideration of the decision in any applicable provision of any statute, charter, or rule, for the purposes of this section, the decision is final on the date it is made. If there is such provision for reconsideration, the decision is final for the purposes of this section upon the expiration of the period during which such reconsideration can be sought; provided, that if reconsideration is sought pursuant to any such provision the decision is final for the purposes of this section on the date that reconsideration is rejected.

(c) The complete record of the proceedings shall be prepared by the local agency or its commission, board, officer, or agent which made the decision and shall be delivered to the petitioner within 90 days after he has filed a written request therefor. The local agency may recover from the petitioner its actual costs for transcribing or

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otherwise preparing the record. Such record shall include the transcript of the proceedings, all pleadings, all notices and orders, any proposed decision by a hearing officer, the final decision, all admitted exhibits, all rejected exhibits in the possession of the local agency or its commission, board, officer, or agent, all written evidence, and any other papers in the case.

(d) If the petitioner files a request for the record as specified in subdivision (c) within 10 days after the date the decision becomes final as provided in subdivision (b), the time within which a petition pursuant to Section 1094.5 may be filed shall be extended to not later than the 30th day following the date on which the record is either personally delivered or mailed to the petitioner or his attorney of record, if he has one.

(e) As used in this section, decision means adjudicatory administrative decision made, after hearing, suspending, demoting, or dismissing an officer or employee, revoking or denying an application for a permit or a license, or denying an application for any retirement benefit or allowance.

(f) In making a final decision as defined in subdivision (e), the local agency shall provide notice to the party that the time within which judicial review must be sought is governed by this section.

As used in this subdivision, "party" means an officer or employee who has been suspended, demoted or dismissed; a person whose permit or license has been revoked or whose application for a permit or license has been denied; or a person whose application for a retirement benefit or allowance has been denied.

(g) This section shall be applicable in a local agency only if the governing board thereof adopts an ordinance or resolution making this section applicable. If such ordinance or resolution is adopted, the provisions of this section shall prevail over any conflicting provision in any otherwise applicable law relating to the subject matter.

CHAPTER 277

An act relating to the Ukiah Unified School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Notwithstanding Section 15710.5 of the Education Code, the governing board of a school district from which territory representing not more than 10 percent of the assessed valuation of the district is taken and annexed to or included in another school district may, by resolution, relieve the acquiring district of the obligation to pay the proportionate share of the remaining payments

due under an outstanding lease or agreement.

This section shall be applicable only to a transfer of territory from the Ukiah Unified School District, which transfer becomes effective for all purposes after June 4, 1975, and shall be applicable whether the election under Sections 15708 and 15709 of the Education Code occurred prior to or after June 4, 1975.

SEC. 2. Due to unique circumstances existing in the Ukiah Unified School District, involving geographical factors and the lack of a community of interest, which circumstances have culminated in the efforts of citizens of the district to create a separate district out of territory presently included in the unified district, the Legislature finds and declares that this act should be limited in its effect to the one school district in which such circumstances exist; therefore, this act may not be made the subject of a general statute within the meaning of Section 16 of Article IV of the Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The automatic assumption of the obligation to pay a proportionate share of certain payments by school districts acquiring the territory of another district is interfering with the orderly reorganization of school districts. In order to permit such reorganization to occur at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 278

An act to amend Section 7020 of the Education Code, relating to special education.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 7020 of the Education Code is amended to read:

7020. In addition to the requirements set forth in Sections 7015 and 7017, each plan shall also include at least the following levels of identification, assessment, and instructional planning:

(a) A school appraisal team. This team shall consist of the school administrator, resource specialist, designated instruction teachers, appropriate program specialists, and, to the extent possible without incurring costs that would exceed existing financial resources for the school appraisal team, the school psychologist and the school nurse. The team shall also utilize the services of the physician, social worker, counselors, and other pupil personnel workers as needed. The school

appraisal team shall provide for a semiannual review of the progress of each pupil consistent with the standards for placement in the special education program, a review of each referral, confer with parents and guardians regarding program recommendations, develop a written instructional plan for each pupil provided special education services, and recommend specific special education program services in their school. The team shall refer to the educational assessment service those pupils who the team has determined require a more definitive assessment, those whose instructional plan has not been effective or those whose parents or guardians have requested such a review. The responsible local agency shall annually notify parents or guardians of their right to request a review by the educational assessment service whenever they believe the pupil is not making appropriate progress.

(b) An educational assessment service. This service shall consist of professional specialists representing health, psychology, social work, speech and language, management services, and diagnostic teaching, and shall perform the following functions:

(1) Review referrals from school appraisal teams and program specialists.

(2) Recommend needed additional assessments.

(3) Develop written instructional goals for each pupil who either has been required to leave the school of his residence, attend special classes or centers, or whose parent or guardian is appealing a school appraisal team decision.

(4) Recommend program components.

(5) Confer with parents and guardians.

(6) Coordinate community resources with those provided by the schools.

(7) Review program recommendations of pupils returning to the district or county from the state schools and hospitals.

(8) Refer selected pupils to the superintendent for further assessment or individual instructional planning in connection with the California Schools for the Deaf or Blind or the Diagnostic Schools for Neurologically Handicapped Children.

CHAPTER 279

An act to add Section 1009.7 to the Education Code, relating to high schools.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

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SECTION 1. Section 1009.7 is added to the Education Code, to read:

1009.7. No governing board of any school district maintaining a high school shall require as a condition for graduation from the high schools within the district that a pupil have resided within the district for any minimum length of time.

CHAPTER 280

An act to amend Section 19581 of, and to repeal Section 19609 of, the Education Code, relating to state school building aid, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1976. Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 19581 of the Education Code is amended to read:

19581. No apportionment shall be made for new construction which, when added to the area of adequate school construction existing in the applicant school district at the time of application, will provide a total area of school building construction per unit of average daily attendance of the estimated average daily attendance in excess of that computed in accordance with Sections 19583, 19585, 19586, 19587, and 19588.

As used in Sections 19583, 19585, 19586, 19587, and 19588, "maximum area" means maximum area of school building construction and "attendance unit" means unit of estimated average daily attendance.

As used in this section and Sections 19586, 19587, and 19588, "attendance center" means a school maintained or to be maintained at a given location within a district. The Department of Education shall approve or disapprove the allocation by an applicant district of units of estimated average daily attendance among the attendance centers of the district.

To the building area permitted to an applicant school district by Sections 19583, 19585, 19586, 19587, and 19588, there may be added such additional building area as may be required to provide adequate facilities for exceptional children pursuant to Article 3 (Sections 19681 to 19689, inclusive) of this chapter.

No estimate of average daily attendance made by an applicant for the purpose of justifying an apportionment shall be made for a longer time than the third fiscal year beyond the fiscal year in which an application is made, except that an estimate for the purpose of justifying an apportionment for a grade level maintained by a unified district, under an application filed prior to the effective date of the

amendment to this section made at the 1961 Regular Session or by a high school district composed of grades 7 to 12, inclusive, 9 to 12, inclusive, or 7 to 10, inclusive, or of justifying an apportionment for a unified district for a junior high school or high school project under an application made on or after such effective date shall not be made for a longer time than the fourth fiscal year beyond the fiscal year in which the application is made. Except as otherwise provided by the board, the estimates of average daily attendance shall be based upon the number of family dwellings and mobilehome parks, as defined in Section 18214 of the Health and Safety Code, under construction or newly constructed and never occupied in the district and the number of children residing in the district. In no case shall an estimate be given effect unless approved by the board.

For the purposes of this chapter pupils attending grades 7 and 8 in an elementary district but residing in a high school district which maintains one or more junior high schools shall not be considered in determining or estimating the average daily attendance of the elementary district, unless the elementary district is maintaining and has continuously maintained grades 7 and 8 since a date prior to January 1, 1959, or unless the electorate of the district, during the year 1974, has authorized the return of the seventh and eighth grade pupils from the high school district and the maintaining of grades 7 and 8 in the elementary district. When pupils attending grades 7 and 8 are so considered in determining or estimating the average daily attendance of the elementary district in making an apportionment to the elementary district, such pupils shall not be considered in determining or estimating average daily attendance of the high school district in making an apportionment to the high school district for junior high school purposes.

The board shall develop statewide or areawide averages of pupil occupancy for family dwellings of various sizes and for mobilehomes of various sizes for use by applicant school districts in estimating the average daily attendance of family dwellings and mobilehome parks under construction or newly constructed and never occupied in the district.

SEC. 2. Section 19609 of the Education Code is repealed.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The electorate of a school district recently voted to return the education of seventh and eighth grade students to the jurisdiction of the elementary school district, rather than the high school district. The elementary school district will not be able to offer proper facilities in time for the opening of the 1976–77 academic year, unless this bill goes into effect prior to such time. In order therefore to adequately provide for the education of certain pupils it is necessary that the provisions of this act go into immediate effect.

CHAPTER 281

An act to amend Section 15716 of the Education Code and to amend Sections 1770, 1773, 1773.1, and 1773.6 of, to repeal and add Section 1773.7 to, and to repeal Section 1773.3 of, the Labor Code, relating to wages on public works.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976.]

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

SECTION 1. Section 15716 of the Education Code is amended to read:

15716. The governing board of the school district shall obtain the general prevailing rate of per diem wages from the Director of the Department of Industrial Relations for each craft, classification or type of workman needed for the construction of the building and shall specify in the resolution and in the notice, required by Section 15712, or in the resolution required by Section 15712.5 and in the lease or agreement made pursuant to this article (commencing at Section 15701), what the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality is for each craft, classification or type of workmen needed for the construction of the building. The holidays upon which such rate shall be paid need not be specified by the governing board, but shall be all holidays recognized in the collective bargaining agreement applicable to the particular craft, classification or type of workmen employed on the project.

Any agreement or lease entered into pursuant to this article shall require that such general prevailing rates will be paid. It shall also require that work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted only upon compensation for all hours worked in excess of eight hours per day at not less than 1½ times the basic rate of pay. There may also be included in leases or agreements entered into pursuant to this article any other requirements with respect to matters related to the subject of this section which the governing board deems necessary or desirable.

SEC. 2. Section 1770 of the Labor Code is amended to read:

1770. The Director of the Department of Industrial Relations shall determine the general prevailing rate of per diem wages in accordance with the standards set forth in Section 1773, and the director's determination in the matter shall be final except as provided in Section 1773.4. Nothing in this article, however, shall prohibit the payment of more than the general prevailing rate of wages to any workman employed on public work. Nothing in this act shall permit any overtime work in violation of Article 3 of this chapter.

SEC. 3. Section 1773 of the Labor Code is amended to read:

1773. The body awarding any contract for public work, or otherwise undertaking any public work, shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the public work is to be performed for each craft, classification or type of workman needed to execute the contract from the Director of the Department of Industrial Relations. The holidays upon which such rates shall be paid need not be specified by the awarding body, but shall be all holidays recognized in the collective bargaining agreement applicable to the particular craft, classification or type of workman employed on the project.

In determining such rates, the Director of the Department of Industrial Relations shall ascertain and consider the applicable wage rates established by collective bargaining agreements and such rates as may have been predetermined for federal public works, within the locality and in the nearest labor market area. Where such rates do not constitute the rates actually prevailing in the locality, the director shall obtain and consider further data from the labor organizations and employers or employer associations concerned, including the recognized collective bargaining representatives for the particular craft, classification or type of work involved. The rate fixed for each craft, classification or type of work shall be not less than the prevailing rate paid in such craft, classification or type of work.

If the director determines that the rate of prevailing wage for any craft, classification or type of workman is the rate established by a collective bargaining agreement, the director may adopt such rate by reference as provided for in such agreement and such determination shall be effective for the life of such agreement or until the director determines that another rate should be adopted.

SEC. 4. Section 1773.1 of the Labor Code is amended to read:

1773.1. Per diem wages shall be deemed to include employer payments for health and welfare, pension, vacation, travel time, and subsistence pay as provided for in Section 1773.8, apprenticeship or other training programs authorized by Section 3093, and similar purposes, when the term "per diem wages" is used in this chapter or in any other statute applicable to public works.

For the purpose of determining such per diem wages for contracts entered into with the state, the representative of any craft, classification or type of workman needed to execute the contracts entered into with the state shall file with the Department of Industrial Relations fully executed copies of the collective bargaining agreements for the particular craft, classification or type of work involved. Such agreements shall be filed within 10 days after their execution and thereafter may be taken into consideration pursuant to Section 1773 whenever filed 30 days prior to the call for bids.

SEC. 5. Section 1773.3 of the Labor Code is repealed.

SEC. 6. Section 1773.6 of the Labor Code is amended to read:

1773.6. If during any quarterly period the Director of Industrial

Relations shall determine that there has been a change in any prevailing rate of per diem wages in any locality he shall make such change available to the awarding body and his determination shall be final. Such determination by the Director of Industrial Relations shall not be effective as to any contract for which the notice to bidders has been published.

SEC. 7. Section 1773.7 of the Labor Code is repealed.

SEC. 8. Section 1773.7 is added to the Labor Code, to read:

1773.7. The provisions of Section 11250 of the Government Code shall not be applicable to Sections 1773, 1773.4, and 1773.6.

SEC. 9. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 282

An act to add Section 352.5 to the Code of Civil Procedure, relating to limitation of actions.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 352.5 is added to the Code of Civil Procedure, to read:

352.5. If, after a cause of action accrues against a person, that person comes under an order for restitution as a condition of probation with respect to the specific act or omission giving rise to such person's liability, the time during which the order is in effect is not a part of the time limited for the commencement of such an action based upon that act or omission.

CHAPTER 283

An act to amend Section 675 of the Code of Civil Procedure, relating to judgments.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 675 of the Code of Civil Procedure, as amended by Chapter 765 of the Statutes of 1975, is amended to read:

675. (a) Satisfaction of a judgment may be entered upon an execution returned satisfied, or upon an acknowledgment of satisfaction filed with the clerk or with the judge, if there be no clerk, which may recite payment of the judgment in full or the acceptance by the judgment creditor of any lesser sum in full satisfaction thereof, made in the manner of an acknowledgment of a conveyance of real property, by the judgment creditor or assignee of record, or by endorsement by judgment creditor or assignees of record on the face, or on the margin of the record of the judgment, or by the attorney, unless a revocation of his authority is filed. Whenever a judgment is satisfied in fact, otherwise than upon an execution, the party or attorney must give such acknowledgment, or make such endorsement, and, upon motion, the court may compel it, or may order the entry of satisfaction to be made without it.

In the superior court and in municipal courts such entry shall be made in the register of actions; in justice courts, in the docket in the justice court.

(b) Except in cases where demand has been made pursuant to subdivision (c), when an abstract of the judgment has been recorded with the recorder of any county, acknowledgment of satisfaction thereof by execution or other means shall be filed in the manner provided in subdivision (a) and either personally delivered, or sent by first class mail, postage prepaid to the judgment debtor or his attorney by the judgment creditor or assignee not later than 30 days after the judgment has been in fact paid in full. Such acknowledgment shall identify the county in which the abstract has been recorded and the book and page of the official records thereof, and contain a statement that such acknowledgment will have to be recorded in such county in order to release the judgment lien. Such acknowledgment shall also show the full name of the judgment debtor being released and shall identify the judgment debtor as such. The judgment debtor's name shall appear on the acknowledgment as it appears on the abstract of judgment. Any such judgment creditor or assignee of record who fails without just cause to file or deliver such acknowledgment of satisfaction shall be liable to the judgment debtor or to the owner of the real property, as the case may be, or his grantees or heirs, for all damages which he or they may sustain by reason of such failure, and shall also forfeit to him or them the sum of one hundred dollars ($100).

(c) Any judgment creditor or assignee who, for a period of 15 days after actual receipt of a demand in writing for acknowledgment of satisfaction of judgment, which demand is made after the judgment has in fact been paid in full, refuses without just cause to execute, acknowledge and deliver such acknowledgment of satisfaction to the judgment debtor, or to the owner of the real property upon which the judgment has become a lien by reason of the recording of an abstract of a judgment in accordance with Section 674, is liable to the

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judgment debtor or to the owner of the real property, as the case may be, or his grantees or heirs, for all damages which he or they may sustain by reason of such refusal, and shall also forfeit to him or them the sum of one hundred dollars ($100).

(d) Any judgment creditor or assignee who intentionally conditions the delivery of an acknowledgment of satisfaction of judgment upon the performance of any act or the payment of any amount by a judgment debtor in excess of that to which the judgment creditor or assignee is entitled pursuant to the judgment, shall be liable to the judgment debtor or his grantees or heirs, for all damages sustained by reason of such action, but in no event shall this be less than two hundred fifty dollars ($250).

This subdivision shall not apply where a judgment creditor or assignee has agreed to deliver an acknowledgment of satisfaction of judgment to the judgment debtor prior to full satisfaction of the judgment in consideration for the judgment debtor having agreed either to furnish security or to execute a promissory note, or both, the principal amount of which does not exceed that to which the judgment creditor or assignee is entitled pursuant to the judgment.

(e) Whenever a certificate has been recorded with the recorder of any county by a state agency under Article 4 (commencing with Section 18881), Chapter 19, Part 10, Division 2 of, or Article 2 (commencing with Section 26161), Chapter 23, Part 11, Division 2 of, the Revenue and Taxation Code, or under Article 1 (commencing with Section 1701), Chapter 7, Part 1, Division 1 of the Unemployment Insurance Code, acknowledgment of satisfaction thereof by execution or other means shall be recorded by the state agency no later than 30 days after the delinquency evidenced by such certificate is satisfied.

(f) In any action maintained pursuant to subdivisions (b), (c), or (d) the court shall award reasonable attorney's fees to the prevailing party.

(g) The damages provided for in this section are not in derogation of any other damages or penalties to which an aggrieved person may be entitled by law.

CHAPTER 284

An act to amend Section 1203.03 of the Penal Code, relating to probation.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 1203.03 of the Penal Code is amended to read:

1203.03. (a) In any case in which a defendant is convicted of an offense punishable by imprisonment in the state prison, the court, if it concludes that a just disposition of the case requires such diagnosis and treatment services as can be provided at a diagnostic facility of the Department of Corrections, may order that defendant be placed temporarily in such facility for a period not to exceed 90 days, with the further provision in such order that the Director of the Department of Corrections report to the court his diagnosis and recommendations concerning the defendant within the 90-day period.

(b) The Director of the Department of Corrections shall, within the 90 days, cause defendant to be observed and examined and shall forward to the court his diagnosis and recommendation concerning the disposition of defendant's case. Such diagnosis and recommendation shall be embodied in a written report and copies of the report shall be served only upon the defendant or his counsel, the probation officer, and the prosecuting attorney by the court receiving such report. After delivery of the copies of the report, the information contained therein shall not be disclosed to anyone else without the consent of the defendant. After disposition of the case, all copies of the report, except the one delivered to the defendant or his counsel, shall be filed in a sealed file and shall be available thereafter only to the defendant or his counsel, the prosecuting attorney, the court, the probation officer, or the Department of Corrections.

(c) Notwithstanding subdivision (b), the probation officer may retain a copy of the report for the purpose of supervision of the defendant if the defendant is placed on probation by the court. The report and information contained therein shall be confidential and shall not be disclosed to anyone else without the written consent of the defendant. Upon the completion or termination of probation, the copy of the report shall be returned by the probation officer to the sealed file prescribed in subdivision (b).

(d) The Department of Corrections shall designate the place to which a person referred to it under the provisions of this section shall be transported. After the receipt of any such person, the department may return the person to the referring court if the director of the department, in his discretion, determines that the staff and facilities of the department are inadequate to provide such services.

(e) The sheriff of the county in which an order is made placing a defendant in a diagnostic facility pursuant to this section, or any other peace officer designated by the court, shall execute the order placing such defendant in the center or returning him therefrom to the court. The expense of such sheriff or other peace officer incurred in executing such order is a charge upon the county in which the court is situated.

(f) It is the intention of the Legislature that the diagnostic

facilities made available to the counties by this section shall only be used for the purposes designated and not in lieu of sentences to local facilities.

(g) Time spent by a defendant in confinement in a diagnostic facility of the Department of Corrections pursuant to this section or as an outpatient or inpatient of the California Rehabilitation Center shall be credited on the term of imprisonment in state prison, if any, to which defendant is sentenced in the case.

(h) In any case in which a defendant has been placed in a diagnostic facility pursuant to this section and, in the course of his confinement, he is determined to be suffering from a remediable condition relevant to his criminal conduct, the department may, with the permission of defendant, administer treatment for such condition. If such treatment will require a longer period of confinement than the period for which defendant was placed in the diagnostic facility, the Director of Corrections may file with the court which placed defendant in the facility a petition for extension of the period of confinement, to which shall be attached a writing signed by defendant giving his consent to the extension. If the court finds the petition and consent in order, it may order the extension, and transmit a copy of the order to the Director of Corrections.

CHAPTER 285

An act to amend Sections 40703, 41600, 41602, and 41603 of the Health and Safety Code, relating to air pollution.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976.]

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

SECTION 1. Section 40703 of the Health and Safety Code is amended to read:

40703. (a) A district board shall not adopt, amend, or repeal any rule or regulation without first holding a public hearing thereon.

(b) Notice of the time and place of a public hearing to adopt, amend, or repeal any rule or regulation shall be given not less than 30 days prior thereto to the state board, which notice shall include a copy of the rule or regulation proposed to be adopted, amended, or repealed, as the case may be, and by publication in the district pursuant to Section 6061 of the Government Code. In the case of a district which includes portions of more than one county, the notice shall be published in each such county.

SEC. 2. Section 41600 of the Health and Safety Code is amended to read:

41600. Each basinwide district, including the bay district, and each basinwide air pollution control council established pursuant to

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Section 40900, shall adopt a basinwide air pollution control plan within 60 days after it commences operation and shall submit the plan to the state board within 10 days after its adoption.

SEC. 3. Section 41602 of the Health and Safety Code is amended to read:

41602. The basinwide air pollution control plan may be reviewed continuously or periodically, and shall be reviewed at least once every two years, by the basinwide district, including the bay district, or the basinwide air pollution control council. The plan shall be reviewed by the basinwide district, the bay district, or the basinwide air pollution control council, as the case may be, upon the request of any district which is included, in whole or in part, within the air basin, or upon the request of the state board, within 60 days after receipt of any such request. The revised plan shall be submitted to the state board within 10 days after its adoption.

SEC. 4. Section 41603 of the Health and Safety Code is amended to read:

41603. Each district shall adopt a program to implement the air pollution control plan of the air basin in which the district is located within 60 days after the adoption or revision of the plan by the basinwide air pollution control council or basinwide district, as the case may be.

The program shall be revised upon request of the state board or, if necessary, whenever there is a revision of the basinwide air pollution control plan. The district shall submit its adopted or revised program to the state board within 10 days after the adoption of the program or revised program.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there by an appropriation made by this act because the duties, obligations, or responsibilities imposed upon local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 286

An act to repeal Sections 4018.1 and 4019 of, and to add Sections 4017.5 and 4019 to, the Penal Code, relating to jails.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 4017.5 is added to the Penal Code, to read:

4017.5. In any case in which a person is confined to a city or county jail for a definite period of time for contempt pursuant to an action or proceeding other than a criminal action or proceeding, all of the provisions of law authorizing, requiring, or otherwise relating to, the performance of labor or work by persons sentenced to such facilities for like periods of time under a judgment of imprisonment, or a fine and imprisonment until the fine is paid or as a condition of probation after suspension of imposition of a sentence or suspension of execution of sentence, in a criminal action or proceeding, shall apply.

Nothing in this section shall be construed to authorize the confinement of any prisoner contrary to the provisions of Section 4001.

SEC. 2. Section 4018.1 of the Penal Code is repealed.

SEC. 3. Section 4019 of the Penal Code is repealed.

SEC. 4. Section 4019 is added to the Penal Code, to read:

4019. (a) The provisions of this section shall apply in all of the following cases:

(1) When a prisoner is confined in or committed to a county jail, industrial farm, or road camp, or any city jail, industrial farm, or road camp, including all days of custody from the date of arrest to the date on which the serving of the sentence commences, under a judgment of imprisonment, or a fine and imprisonment until the fine is paid in a criminal action or proceeding.

(2) When a prisoner is confined in or committed to the county jail, industrial farm, or road camp or any city jail, industrial farm, or road camp as a condition of probation after suspension of imposition of a sentence or suspension of execution of sentence, in a criminal action or proceeding.

(3) When a prisoner is confined in or committed to the county jail, industrial farm, or road camp or any city jail, industrial farm, or road camp for a definite period of time for contempt pursuant to a proceeding, other than a criminal action or proceeding.

(b) For each one-fifth of a month in which a prisoner is confined in any of the foregoing cases, one day shall be deducted from his period of confinement for each of the following:

(1) When it appears by the record that he has satisfactorily performed labor as assigned by the sheriff, chief of police, or superintendent of an industrial farm or road camp, one day shall be deducted from his period of confinement by order of such sheriff, chief of police, or superintendent.

(2) When it appears, by the record, that he has satisfactorily complied with the reasonable rules and regulations established by the sheriff, chief of police, or superintendent for the conduct of such prisoners, and that his conduct is reported by the officer in charge of the jail, industrial farm or road camp to have been satisfactory, one day shall be deducted from his period of confinement.

(3) No deduction may be made for any period of confinement

within any calendar month which period is less than one-fifth of such month.

CHAPTER 287

An act to amend Section 1203.2 of the Penal Code, relating to probation.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 1203.2 of the Penal Code is amended to read:

1203.2. (a) At any time during the probationary period of a person released on probation under the care of a probation officer pursuant to this chapter, any probation or peace officer may, without warrant or other process and at any time until the final disposition of the case, rearrest the person and bring him before the court or the court may, in its discretion, issue a warrant for his rearrest. Upon such rearrest, the court may revoke and terminate such probation if the interests of justice so require and the court, in its judgment, has reason to believe from the report of the probation officer or otherwise that the person has violated any of the conditions of his probation, has become abandoned to improper associates or a vicious life, or has subsequently committed other offenses, regardless whether he has been prosecuted for such offenses.

(b) Upon its own motion or upon the petition of the probationer or the district attorney of the county in which the probationer is supervised, the court may modify, revoke, or terminate the probation of the probationer pursuant to this subdivision. The court shall give notice of its motion, and the district attorney shall give notice of his petition to the probationer, his attorney of record, and the probation officer; the probationer shall give notice of his petition to the probation officer; and notice of any such motion or petition shall be given to the district attorney in all cases. The court shall refer its motion or the petition to the probation officer. After the receipt of a written report from the probation officer, the court shall read and consider the report and either its motion or the petition and may modify, revoke, or terminate the probation of the probationer upon the grounds set forth in subdivision (a) if the interests of justice so require.

The notice required by this subdivision may be given to the probationer upon his first court appearance in such proceeding. Upon the agreement by the probationer in writing to the specific terms of a modification or termination of a specific term of probation, any requirement that the probationer make a personal appearance

in court for the purpose of such modification or termination shall be waived. Prior to such modification or termination and waiver of appearance, the probationer shall be informed of his right to consult with counsel, and if indigent the right to secure court appointed counsel. If the probationer waives his right to counsel a written waiver shall be required. If probationer consults with counsel and thereafter agrees to a modification or termination of the term of probation and waiver of personal appearance, such agreement shall be signed by counsel showing approval for such modification or termination and waiver.

(c) Upon any revocation and termination of probation, the court may, if the sentence has been suspended, pronounce judgment for any time within the longest period for which the person might have been sentenced. However, if the judgment has been pronounced and the execution thereof has been suspended, the court may revoke such suspension and order that the judgment shall be in full force and effect. In either case, the person shall be delivered over to the proper officer to serve his sentence, less any credits herein provided for.

(d) In any case of revocation and termination of probation, including, but not limited to, cases in which the judgment has been pronounced and the execution thereof has been suspended, upon such revocation and termination, the court may, in lieu of any other sentence, commit the person to the Department of the Youth Authority if he is otherwise eligible for such commitment.

(e) If probation has been revoked before the judgment has been pronounced, the order revoking probation may be set aside for good cause upon motion made before pronouncement of judgment. If probation has been revoked after the judgment has been pronounced, the judgment and the order which revoked the probation may be set aside for good cause within 30 days after the court has notice that the execution of the sentence has commenced. If an order setting aside the judgment, the revocation of probation, or both is made after the expiration of the probationary period, the court may again place the person on probation for such period and with such terms and conditions as it could have done immediately following conviction.

CHAPTER 288

An act to amend Section 25411.5 of the Education Code, relating to community colleges.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 25411.5 of the Education Code is amended to read:

25411.5. In every community college district in which trustee areas have not been established, there shall be a governing board of either five or seven members elected at large from the district to serve a term of four years. If trustee areas have been established in a community college district the governing board shall consist of a member or members from each trustee area.

In the Peralta Community College District, the governing board may consist of not to exceed 15 members, if the governing board so determines, whether or not trustee areas have been established.

The governing board of the Redwoods Community College District may consist of eight members, provided the area contained in the Fort Bragg Unified School District and the Mendocino Unified School District is annexed to the Redwoods Community College District, and provided an additional coterminous trustee area of the district is established including such territory. Such governing board may consist of nine members if, in addition to the annexation specified above, the area contained within Del Norte County is annexed to the Redwoods Community College District, and provided an additional coterminous trustee area of the district is established including such territory.

CHAPTER 289

An act to amend Sections 600, 1550, and 1901 of the Probate Code, relating to estates.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 600 of the Probate Code is amended to read:

600. Within three months after his appointment, or within such further time as the court or judge for reasonable cause may allow, the executor or administrator must file with the clerk of the court an inventory and appraisement of the estate of the decedent which has come to his possession or knowledge. A copy of the same shall be transmitted by such clerk to the county assessor if timely requested by such assessor. The inventory must include the homestead, if any, and all the estate of the decedent, real and personal, particularly specifying all debts, bonds, mortgages, deeds of trust, notes and other securities for the payment of money belonging to the decedent, with the name of each debtor, the date, the sum originally payable, the indorsements thereon, if any, with their dates, and a statement of the interest of the decedent in any partnership of which he was a

member, to be appraised as a single item. It must include an account of all moneys belonging to the decedent. The inventory and appraisement shall be prepared in such form as to set down each item separately with the fair market value thereof at the time of the decendent's death in dollars and cents in figures opposite the respective items.

SEC. 2. Section 1550 of the Probate Code is amended to read:

1550. Within three months after his appointment, or within such further time as the court or judge for a reasonable cause may allow, the guardian must file with the clerk of the court an inventory and appraisement of the estate of his ward. A copy of the same shall be delivered by the clerk to the county assessor, if timely requested by such assessor. The guardian shall make oath to the inventory, and the property therein described shall be appraised by the guardian and an inheritance tax referee in the manner provided for the inventory and appraisement of estates of decedents. The guardian may appraise the assets which an executor or administrator could appraise under Section 605. Whenever any ward is or has been during the guardianship confined in a state hospital in this state the guardian must deliver or mail a copy of the inventory to the Director of the State Department of Health at his office in Sacramento. Whenever any property of the ward is discovered which was not included in the inventory, and whenever any other property has been inherited or acquired by the ward, other than by purchase by the guardian, like proceedings must be had for the inventory and appraisement thereof and the delivery or mailing of a copy thereof as are herein provided in relation to the first inventory.

SEC. 3. Section 1901 of the Probate Code is amended to read:

1901. Within three months after his appointment, or within such further time as the court or judge for a reasonable cause may allow, the conservator of the estate or person and estate of a conservatee shall file with the clerk of the court an inventory and appraisement of the estate of the conservatee, made as of the date of the appointment of the conservator. A copy of the same shall be delivered by the clerk to the county assessor, if timely requested by such assessor. The conservator shall make oath to the inventory and the property therein described other than money must be appraised, by a conservator and an inheritance tax referee in the manner provided for the inventory and appraisement of estates of decedents. The conservator may appraise the assets which an executor or administrator could appraise under Section 605. Whenever any conservatee is or has been during the conservatorship confined in a state hospital in this state, the conservator shall deliver or mail a copy of the inventory to the Director of the State Department of Health at his office in Sacramento. Whenever any other property of the conservatee is discovered, or is inherited or acquired by the conservatee other than by the actions of the conservator in the investment and management of the estate, like proceedings must be had for the inventory and appraisement thereof as in the case of the

original inventory.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

CHAPTER 290

An act to amend Section 5713 of, and to add Section 11010.5 to, the Welfare and Institutions Code, relating to unrestricted donations.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976.]

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

SECTION 1. Section 5713 of the Welfare and Institutions Code is amended to read:

5713. In determining the amounts which may be paid, fees paid by persons receiving services or fees paid on behalf of such persons by the federal government, by the California Medical Assistance Program set forth in Chapter 7 (commencing with Section 14000) of Part 3 of Division 9, and by other public or private sources, shall be deducted from the costs of providing services. Whenever feasible, mentally disordered persons who are eligible for mental health services under the California Medical Assistance Program shall be treated in a facility approved for reimbursement in that program.

General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be considered as "fees paid by persons" or "fees paid on behalf of such persons" under this section and such contributions shall not be applied in determining the amounts to be paid. Such unrestricted contributions shall not be used in part or in whole to defray the costs or the allocated costs of the California Medical Assistance Program.

SEC. 2. Section 11010.5 is added to the Welfare and Institutions Code, to read:

11010.5. General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services under this division or Division 5 (commencing with Section 5000).

CHAPTER 291

An act to amend Section 16544 of, to repeal Section 16501 of, and to add Section 16501 to, the Public Utilities Code, relating to public utility districts.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 16501 of the Public Utilities Code is repealed.

SEC. 2. Section 16501 is added to the Public Utilities Code, to read:

16501. All complete projects for new construction where the costs for materials, supplies, and labor exceed five thousand dollars ($5,000), shall be let to the lowest responsible bidder. All alterations, maintenance, and repair projects where materials, supplies and labor exceed three thousand dollars ($3,000) shall be let to the lowest responsible bidder. The board shall adopt plans and specifications, strain sheets, and working details and shall advertise for bids for such work in accordance with the plans and specifications so adopted. Notice inviting bids for all projects shall be published in a newspaper in the district at least one week prior to the time specified for receiving bids.

SEC. 3. Section 16544 of the Public Utilities Code is amended to read:

16544. Unless the amount involved in the purchase at any one time of any articles for which no contract has been entered into exceeds four thousand dollars ($4,000), the board may purchase the articles without the necessity of advertising or letting contracts. Where the cost of any articles for which no contract has been entered into exceeds four thousand dollars ($4,000), the board shall advertise for sealed bids for furnishing the district such articles. In the matter of advertising, opening and accepting bids, and the letting of contracts, the board shall proceed in all respects in the manner and form provided in the case of contracts for annual supplies.

CHAPTER 292

An act relating to adoption, and making an appropriation, to take effect immediately.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

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SECTION 1. The sum of eight hundred eighty thousand dollars ($880,000) is hereby appropriated from the General Fund to the State Department of Health in augmentation of funds appropriated pursuant to subdivision (h) of Item 279 of the Budget Act of 1975.

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

CHAPTER 293

An act to amend Section 26561.5 of the Health and Safety Code, relating to food.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 26561.5 of the Health and Safety Code is amended to read:

26561.5. If a food purports to be or is represented for special dietary use by humans by reason of its use as a means of regulating the intake of protein, fat, carbohydrate, or calories, for the purpose of controlling body weight, or for the purpose of dietary management with respect to disease, the label shall bear a statement of:

(a) The percent by weight of protein, fat, and available carbohydrates in such food; and

(b) The number of available calories supplied by a specified quantity of such food.

A food shall be considered to be represented for special dietary use if it bears a label, brand name, or nutritional statement suggesting that it is "low calorie," "low fat," "skim," "nonfat," "sugar free," "diet," or words of similar import

Any food is misbranded if it does not comply with the requirements of this section.

Foods labeled in accordance with Section 1.17 of Title 21 of the Code of Federal Regulations are exempt from the requirements of this section.

CHAPTER 294

An act to amend Section 13708 of the Education Code, relating to merit systems of school districts.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976]

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

SECTION 1. Section 13708 of the Education Code is amended to read:

13708. The governing board may authorize payment to members of the commission an amount not to exceed twenty-five dollars ($25) per meeting and not to exceed one hundred dollars ($100) per month.

CHAPTER 295

An act to amend Section 1120 of the Education Code, relating to elementary school districts.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976.]

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

SECTION 1. Section 1120 of the Education Code is amended to read:

1120. Any elementary school district having a governing board of three members may, and any elementary school district having a governing board of three members whose average daily attendance during the preceding fiscal year was 300 or more shall, do either of the following:

(a) By its own action determine that the number of members of the governing board shall be increased to five, in which case two additional members shall be elected at the next regular governing board member election.

(b) Request the county superintendent of schools having jurisdiction to submit the question of whether the number of members of the governing board shall be increased to five to the voters of the elementary school district at the next regular governing board member election. At the same election two additional members shall be elected to take office if the number of governing board members is increased.

Candidates for the two additional offices or their sponsors shall state in the declarations of candidacy or nominations filed for the election that the candidates are candidates for the two additional offices separately from the other offices to be filled in the election and shall clearly indicate to the voters that they may vote for two of the candidates to take office if the voters approve the proposed increase in the number of board members.

If the voters at such election do not approve such an increase in membership of the governing board, the same question may be submitted to the voters at subsequent governing board member elections. Requests to the county superintendent to submit the

question to the voters of a district shall be filed with him by the governing board of the district no later than 100 days prior to the election.

If, pursuant to either subdivision (a) or subdivision (b) of this section, two additional governing board members are authorized and elected, the one receiving the higher number of votes shall hold office for a term of four years from April 1st succeeding the election, and the other one shall hold office for a term of two years from April 1st succeeding the election. Thereafter the governing board shall be composed of five members elected in the same manner and for the same term as governing boards having five members.

CHAPTER 296

An act to amend Section 15835 of the Education Code, relating to school security patrols, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1976 Filed with Secretary of State June 26, 1976.]

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

SECTION 1. Section 15835 of the Education Code is amended to read:

15835. The governing board of any school district having an average daily attendance of not less than 5,000 nor more than 7,000, which has not established a security patrol pursuant to this article, may contract with any private patrol operator licensed pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code to aid in the security of the school district's real and personal property; provided however, that notwithstanding any other provision of law to the contrary, no employee of any such private patrol operator shall carry any firearm at any time while performing duties in any school building or on the grounds of any school pursuant to such a contract. Expenditures in any one fiscal year for such service shall not exceed four thousand five hundred dollars ($4,500).

For purposes of this section there shall not be included in the average daily attendance of an elementary school district, the attendance of pupils attending the seventh and eighth grades of a junior high school maintained by a high school district.

This section shall remain in effect only until July 1, 1978, and as of that date is repealed.

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

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The experiences of school districts presently contracting with private security patrols have proven this service to be a cost-effective means of protecting the public's investment in school property. The statutory authority for such contractual arrangements will soon expire. In order that existing statutory authority to provide needed protection for school district property will not, by its own terms, expire on June 30, 1976, it is necessary that this act take effect immediately.

CHAPTER 297

An act relating to lupus erythematosus, and making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1976. Filed with Secretary of State June 28, 1976]

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

SECTION 1. Lupus erythematosus is a major life-threatening disease which affects mostly young women. Because so little is known about this disease, patients with lupus erythematosus are often misdiagnosed and mistreated, which results in numerous deaths each year.

SEC. 2. The sum of four hundred thousand dollars ($400,000) is hereby appropriated from the General Fund to the State Department of Health for expenditure pursuant to contracts with facilities having research experience for programs by such facilities for basic research on lupus erythematosus. The state department may enter into such contracts.

Such contracts are to be approved and such programs are to be monitored by a committee composed of a person appointed by the Secretary of the Health and Welfare Agency, a person appointed by the Speaker of the Assembly, and a person appointed by the President pro Tempore of the Senate.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

To adequately fund research which is needed to find a cure or satisfactory therapy for lupus erythematosus that will relieve the pain and suffering of disability and death caused by this disease, which affects over 50,000 people in the State of California.

CHAPTER 298

An act to amend Sections 415 and 415.5 of the Penal Code, relating to offensive words.

[Approved by Governor June 30, 1976 Filed with Secretary of State June 30, 1976.]

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

SECTION 1. Section 415 of the Penal Code is amended to read:

415. Any of the following persons shall be punished by imprisonment in the county jail for a period of not more than 90 days, a fine of not more than two hundred dollars ($200), or both such imprisonment and fine:

(1) Any person who unlawfully fights in a public place or challenges another person in a public place to fight.

(2) Any person who maliciously and willfully disturbs another person by loud and unreasonable noise.

(3) Any person who uses offensive words in a public place which are inherently likely to provoke an immediate violent reaction.

SEC. 2. Section 415.5 of the Penal Code is amended to read:

415.5. (a) Any person who (1) unlawfully fights within any building or upon the grounds of any community college, state college, or state university or challenges another person within any such building or upon such grounds to fight, or (2) maliciously and willfully disturbs another person within any such building or upon such grounds by loud and unreasonable noise, or (3) uses offensive words within any such building or upon such grounds which are inherently likely to provoke an immediate violent reaction is guilty of a misdemeanor and shall be punished as follows:

(i) Upon a first conviction by a fine not exceeding two hundred dollars ($200) or by imprisonment in the county jail for a period of not more than 90 days, or by both such fine and imprisonment.

(ii) If the defendant has been previously convicted once of a violation of this section or of any offense defined in Chapter 1 (commencing with Section 626) of Title 15 of Part 1, by imprisonment in the county jail for a period of not less than 10 days or more than six months, or by both such imprisonment and a fine of not exceeding five hundred dollars ($500), and he shall not be released on probation, parole, or any other basis until he has served not less than 10 days.

(iii) If the defendant has been previously convicted two or more times of a violation of this section or of any offense defined in Chapter 1 (commencing with Section 626) of Title 15 of Part 1, by imprisonment in the county jail for a period of not less than 90 days or more than six months, or by both such imprisonment and a fine of not exceeding five hundred dollars ($500), and he shall not be released on probation, parole, or any other basis until he has served

not less than 90 days.

(b) For the purpose of determining the penalty to be imposed pursuant to this section, the court may consider a written report from the Department of Justice containing information from its records showing prior convictions; and the communication is prima facie evidence of such convictions, if the defendant admits them, regardless of whether or not the complaint commencing the proceedings has alleged prior convictions.

(c) As used in this section "state university," "state college," and "community college" have the same meaning as these terms are given in Section 626.

CHAPTER 299

An act to amend Section 1752.1 of, and to add Section 1731.6 to, the Welfare and Institutions Code, relating to the Youth Authority.

[Approved by Governor June 30, 1976 Filed with Secretary of State June 30, 1976]

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

SECTION 1. Section 1731.6 is added to the Welfare and Institutions Code, to read:

1731.6. (a) In any county in which there is in effect a contract made pursuant to Section 1752.1, if a court has determined that a person comes within the provisions of Section 1731.5 and concludes that a proper disposition of the case requires such observation and diagnosis as can be made at a diagnostic and treatment center of the Youth Authority, the court may continue the hearing and order that such person be placed temporarily in such a center for a period not to exceed 90 days, with the further provision in such order that the Director of the Youth Authority report to the court its diagnosis and recommendations concerning the person within the 90-day period.

(b) The Director of the Youth Authority shall, within the 90 days, cause the person to be observed and examined and shall forward to the court his diagnosis and recommendation concerning such person's future care, supervision, and treatment.

(c) The Youth Authority shall accept such person if it believes that the person can be materially benefited by such diagnostic and treatment services and if the Director of the Youth Authority certifies that staff and institutions are available. No such person shall be transported to any facility under the jurisdiction of the Youth Authority until the director has notified the referring court of the place to which such person is to be transported and the time at which he can be received.

(d) Notwithstanding the provisions of subdivision (c), the Youth Authority shall accept without cost to the county any persons

remanded pursuant to Section 707.2.

(e) The sheriff of the county in which an order is made placing a person in a diagnostic and treatment center pursuant to this section, or any other peace officer designated by the court, shall execute the order placing such person in the center or returning him therefrom to the court. The expense of such sheriff or other peace officer incurred in executing such order is a charge upon the county in which the court is situated.

SEC. 2. Section 1752.1 of the Welfare and Institutions Code is amended to read:

1752.1. The director may enter into contracts with the approval of the Director of Finance with any county of this state, upon request of the board of supervisors thereof, wherein the Youth Authority agrees to furnish diagnosis and treatment services and temporary detention during a period of study to the county for selected cases of persons eligible for commitment to the Youth Authority. The county shall reimburse the state for the cost of such services, such cost to be determined by the Director of the Youth Authority.

The Youth Authority shall present to the county, not more frequently than monthly, a claim for the amount due the state under this section which the county shall process and pay pursuant to the provisions of Chapter 4 (commencing with Section 29700) of Division 3 of Title 3 of the Government Code.

CHAPTER 300

An act to add Section 20009.6 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor June 30, 1976 Filed with Secretary of State June 30, 1976]

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

SECTION 1. Section 20009.6 is added to the Government Code, to read:

20009.6. "Public agency" also includes a nonprofit corporation organized for the purpose of and engaged in conducting a citrus fruit fair as defined in Section 4603 of the Food and Agricultural Code.

CHAPTER 301

An act to amend Section 5753 of the Education Code, and to amend Sections 3070 and 3078 of, and to repeal Section 3074.5 of, the Labor Code, relating to apprenticeship.

[Approved by Governor June 30, 1976 Filed with Secretary of State June 30, 1976]

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

SECTION 1. Section 5753 of the Education Code is amended to read:

5753. No class for adults shall be maintained by any district: (1) if the district receives compensation for such class from any public or private agency, individual or group of individuals, except fees authorized by Section 5757, classes for apprentices, and apportionments from the state and federal government; or (2) if such classes are not open to the general public; or (3) if the pupils attending such classes are paid for such attendance. The State Board of Education may adopt such regulations as may be necessary to define "payment" and "payment for attendance" as used in this section.

No classes for adults shall be maintained by any district if the cost of such class is paid entirely from federal funds.

SEC. 2. Section 3070 of the Labor Code is amended to read:

3070. The Governor shall appoint a California Apprenticeship Council, composed of six representatives each from employer and employee organizations, respectively, geographically selected, and of two representatives of the general public. The Director of Industrial Relations and the Superintendent of Public Instruction, or his permanent and best qualified designee, and the Chancellor of the California Community Colleges, or his permanent and best qualified designee, shall also be members of the California Apprenticeship Council. The chairman shall be elected by vote of the California Apprenticeship Council. The terms of office of the members of the California Apprenticeship Council first appointed shall expire as designated by the Governor at the time of making the appointment: Two representatives each of employers, employees, and the public representative shall serve until January 15, 1941. Two representatives each of the employers and employees shall serve until January 15, 1942. Thereafter each member shall serve for a term of two years. Any member appointed to fill a vacancy occurring prior to the expiration of the term of his predecessor shall be appointed for the remainder of said term. Each member of the council shall receive the sum of twenty-five dollars ($25) for each day of his actual attendance at meetings of the council, for each day of his actual attendance at hearings by the council or a committee thereof pursuant to Section 3082, and for each day of his actual attendance at meetings of other committees established by the council and approved by the Director of Industrial Relations, together with his actual and necessary traveling expenses incurred in connection therewith.

The terms of the five additional members provided by the amendment of this section at the 1955 Regular Session shall expire, as designated by the Governor at the time of making the appointment, as follows: One additional representative each of

employers, employees, and the additional public representative shall serve until January 15, 1957; and one additional representative each of employers and employees shall serve until January 15, 1958.

SEC. 3. Section 3074.5 of the Labor Code is repealed.

SEC. 4. Section 3078 of the Labor Code is amended to read:

3078. Every apprentice agreement entered into under this chapter shall contain:

(a) The names of the contracting parties.

(b) The date of birth of the apprentice.

(c) A statement of the trade, craft, or business which the apprentice is to be taught, and the time at which the apprenticeship will begin and end.

(d) A statement showing the number of hours to be spent by the apprentice in work and the learning objectives to be accomplished through related and supplemental instruction, except as otherwise provided under Section 3074. Such exceptions shall be subject to the appeal procedures established in Sections 3081, 3082, 3083 and 3084. A minimum of 144 hours of related and supplemental instruction for each year of apprenticeship is recommended; however, related instruction may be expressed in terms of units or other objectives to be accomplished. In no case shall the combined weekly hours of work and required related and supplemental instruction of the apprentice exceed the maximum number of hours of work prescribed by law for a person of the age of the apprentice.

(e) A statement setting forth a schedule of the processes in the trade or industry divisions in which the apprentice is to be taught and the approximate time to be spent at each process.

(f) A statement of the graduated scale of wages to be paid the apprentice and whether the required schooltime shall be compensated.

(g) A statement providing for a period of probation of not more than 1,000 hours of employment and not more than 72 hours of related instruction, during which time the apprentice agreement may be terminated by the local joint apprenticeship committee at the request in writing of either party, and providing that after such probationary period the apprentice agreement may be terminated by the administrator by mutual agreement of all parties thereto, or canceled by the administrator for good and sufficient reason.

(h) A provision that all controversies or differences concerning the apprentice agreement which cannot be adjusted locally, or which are not covered by collective-bargaining agreement, shall be submitted to the administrator for determination as provided for in Section 3081.

(i) A provision that an employer who is unable to fulfill his obligation under the apprentice agreement may with approval of the administrator transfer such contract to any other employer, if the apprentice consents and such other employer agrees to assume the obligation of said apprentice agreement

(j) Such additional terms and conditions as may be prescribed or

approved by the California Apprenticeship Council, not inconsistent with the provisions of this chapter.

(k) A clause providing that there shall be no liability on the part of the other contracting party for an injury sustained by an apprentice engaged in schoolwork at a time when the employment of the apprentice has been temporarily or permanently terminated.

CHAPTER 302

An act to amend Section 10119.5 of the Insurance Code, relating to disability insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1976 Filed with Secretary of State June 30, 1976]

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

SECTION 1. Section 10119.5 of the Insurance Code is amended to read:

10119.5. No group or blanket policy of disability insurance which provides maternity benefits for a person covered continuously from conception shall be issued, amended, delivered, or renewed in this state on or after July 1, 1976, if it contains any exclusion, reduction, or other limitations as to coverage, deductibles, or coinsurance provisions, as to involuntary complications of pregnancy, unless such provisions apply generally to all benefits paid under the policy. If a fixed amount is specified in such policy for surgery, the fixed amounts for surgical procedures involving involuntary complications of pregnancy shall be commensurate with other fixed amounts payable for procedures of comparable difficulty and severity. In a case where a fixed amount is payable for maternity benefits, involuntary complications of pregnancy shall be deemed an illness and entitled to benefits otherwise provided by the policy. Where the policy contains a maternity deductible, the maternity deductible shall apply only to expenses resulting from normal delivery and cesarean section delivery; however, expenses for cesarean section delivery in excess of the deductible shall be treated as expenses for any other illness under the policy. This section shall apply to all group or blanket disability policies except any group disability policy made subject to an applicable collective-bargaining agreement in effect before July 1, 1976.

For purposes of this section, involuntary complications of pregnancy shall include, but not be limited to, puerperal infection, eclampsia, cesarean section delivery, ectopic pregnancy, and toxemia.

All policies subject to this section and issued, amended, delivered, or renewed in this state on or after July 1, 1976, shall be construed

to be in compliance with this section, and any provision in any such policy which is in conflict with this section shall be of no force or effect.

SEC. 2. This act shall become operative July 1, 1976.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to clarify the intent of the Legislature in enacting Section 10119.5 of the Insurance Code in 1975, which sections will affect policies and plans commencing July 1, 1976, and in order to avoid conflict with minimum benefit regulations adopted by the Insurance Commissioner, it is necessary that this act take effect immediately.

CHAPTER 303

An act to amend Section 2054 of the Penal Code, relating to inmates, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1976 Filed with Secretary of State June 30, 1976]

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

SECTION 1. Section 2054 of the Penal Code is amended to read:

2054. The Director of Corrections may establish and maintain classes for inmates by utilizing personnel of the Department of Corrections, or by entering into an agreement with the governing board of a school district or private school or the governing boards of school districts under which the district shall maintain classes for such inmates. The governing board of a school district or private school may enter into such an agreement regardless of whether the institution or facility at which the classes are to be established and maintained is within or without the boundaries of the school district.

Any agreement entered into between the Director of Corrections and a school district or private school pursuant to this section may require the Department of Corrections to reimburse the school district or private school for the cost to the district or private school of maintaining such classes. "Cost" as used herein includes contributions required of any school district to the State Teachers' Retirement System, but such cost shall not include an amount in excess of the amount expended by the district for salaries of the teachers for such classes, increased by one-fifth. Salaries of such teachers for the purposes of this section shall not exceed the salaries as set by the governing board for teachers in other classes for adults maintained by the district, or private schools.

Attendance or average daily attendance in classes established

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pursuant to this section or in classes in trade and industrial education or vocational training for adult inmates of institutions or facilities under the jurisdiction of the Department of Corrections shall not be reported to the State Department of Education for apportionment and no apportionment from the State School Fund shall be made on account of average daily attendance in such classes.

No school district or private school shall provide for the academic education of adult inmates of state institutions or facilities under the jurisdiction of the Department of Corrections except in accordance with this section.

The Legislature hereby declares that for each fiscal year funds for the support of the academic education program for inmates of the institutions or facilities under the jurisdiction of the Department of Corrections shall be provided, upon appropriation by the Legislature, to the Department of Corrections at the rate of forty dollars ($40) multiplied by the total number of inmates which the Department of Corrections estimates will be in such institutions or facilities on December 31st of the fiscal year, except as provided in Section 2054.1.

SEC. 2. Notwithstanding Section 5 of Chapter 1436 of the Statutes of 1974, this act shall become operative on July 1, 1976.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to prevent the repeal of the authority to the Director of Corrections to enter into contracts with school districts and private schools when the pilot program authorizing contracts with community colleges expires, it is necessary that this act take effect immediately.

CHAPTER 304

An act to add and repeal Section 15503.1 of the Education Code, and to amend Section 2 of Chapter 707 of the Statutes of 1975, relating to school buildings, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 1, 1976 Filed with Secretary of State July 1, 1976]

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

SECTION 1. Section 15503.1 is added to the Education Code, to read:

15503.1. Whenever an examination of the geological characteristics of the site on which any public school building constructed prior to 1957 is situated has been made at the request of

the governing board by a licensed geologist prior to the effective date of the act which enacted this section, and the report shows that the school building is situated on the trace of an active geological fault along which it can reasonably be expected that surface rupture will occur within the life of such building, such building shall be deemed structurally unsafe for school use. Such building shall be subject to replacement at another location in accordance with the procedure provided for repair, reconstruction, or replacement in Section 15503 as though it had not been constructed in conformance with Article 4 (commencing with Section 15451) of this chapter.

This section shall remain in effect only until July 1, 1977, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 1, 1977, deletes or extends such date.

SEC. 2. Section 2 of Chapter 707 of the Statutes of 1975 is amended to read:

Sec. 2. Section 15516 of the Education Code, insofar as that section prohibits the use, after June 30, 1975, of school buildings which have been examined and found unsafe, shall not be applicable to the fieldhouse at Ratcliffe Stadium owned by the State Center Community College District; provided, however, that such exemption shall not be effective after July 1, 1977.

SEC. 3. The Legislature hereby finds and declares that due to a unique situation existing in the State Center Community College District regarding the use of the fieldhouse of the recently purchased Ratcliffe Stadium, a general act of broad operation and effect cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

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

In order that the exemption from Field Act requirements provided for by Section 1 of this act may become effective prior to the beginning of the 1976–77 school year, and in order that school districts may undertake the orderly and efficient replacement of structurally inadequate school buildings without undue disruption of the educational program and dislocation of pupils, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 305

An act to amend Section 9545 of, and to add Section 9546 to, the Public Resources Code, relating to resource conservation districts.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 9545 of the Public Resources Code, as added by Chapter 513 of the Statutes of 1975, is amended to read:

9545. Except as provided in Section 9546, the county shall pay any and all costs attributable to the conduct of district elections and shall be reimbursed for such expenditure the following year by a special assessment levied and collected in the same manner as regular assessments pursuant to the provisions of Article 1 (commencing with Section 9501), except that the limitations set forth in Section 9505 shall not apply to such assessment.

SEC. 2. Section 9546 is added to the Public Resources Code, to read:

9546. The county shall bill any candidate for district office for the actual prorated costs of printing, handling, and translating his statement of qualifications contained in the voter's pamphlet accompanying the sample ballot.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because there are savings as well as costs in this act that, in the aggregate, do not result in significant cost changes.

CHAPTER 306

An act to amend Sections 74131, 74132, 74133, 74134, 74135, 74138, and 74139 of, to add Sections 74136, 74137, 74141, 74142, 74143, and 74144 to, and to repeal Sections 74136 and 74137 of, the Government Code, relating to municipal courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 74131 of the Government Code is amended to read:

74131. There shall be five judges in the Riverside Judicial District, which shall include the City of Riverside. There shall be four judges in the Desert Judicial District, which shall include the Cities of Palm Springs, Indio, and Blythe. There shall be two judges in the Corona Judicial District, which shall include the City of Corona. There shall be two judges in the Mt. San Jacinto Judicial District, which shall include the Cities of Hemet, San Jacinto, Beaumont and Banning. There shall be one judge in the Three Lakes Judicial District.

SEC. 2. Section 74132 of the Government Code is amended to read:

74132. The provisions of this section shall apply to the clerks and the respective assistants, deputies and other employees of each clerk

and marshal of each judicial district.

(a) Each employee shall receive a salary computed upon a biweekly rate in accordance with the range and step for his position specified in or pursuant to this article, as determined by the salary schedule in the salary ordinance of Riverside County in effect January 1, 1976.

(b) Except as otherwise provided in this article, each new employee shall for the first 13 full biweekly periods of continuous service receive a salary at the rate specified for step 1 of the applicable range; on the first day of the next biweekly period thereafter, his salary shall increase to the rate for step 2; after 26, 52 and 78 additional biweekly periods of continuous service, his salary shall increase to the rates for steps 3, 4 and 5, respectively. Each such step increase shall be to the rate of step 1 of the second next higher range.

(c) Notwithstanding any other provisions of law, the salary of any employee may, upon approval by the board of supervisors, be increased or decreased within the limits of the applicable range and eight ranges above or below said limits, in order to provide compensation that is comparable to that of county employees of similar qualifications and experience, holding equal or comparable positions in the Riverside County classified service, as the comparability is determined by the board. The board of supervisors may also allow such additional appointive positions in the classes of positions specified in this article as in said board's judgment are necessary to perform the work of the offices of each clerk and marshal. Any salary adjustment made or additional appointive position established pursuant to this subdivision shall be effective only until January 1 following the adjournment of the next regular session of the Legislature unless ratified by the Legislature.

(d) Such employees shall be entitled to the same vacation, sick leave, leave of absence, and similar benefits, and may be appointed, promoted, demoted, terminated or transferred, or their status otherwise adjusted, in the same manner and with the same effect as is or may be provided by the current salary ordinances of Riverside County for other employees of the county, and they shall be subject to such employment qualifications as may be fixed by or pursuant to said ordinance for their positions, in the same manner as for other positions in the employment of said county.

SEC. 3. Section 74133 of the Government Code is amended to read:

74133. (a) There shall be one clerk of each judicial district who shall be appointed by and hold office at the pleasure of the judge or a majority of the judges of the judicial district. The clerk shall serve as the court administrator.

(b) There shall be one Marshal of the Desert Judicial District who shall be elected by the voters of the district. There shall be one Marshal of the Riverside Judicial District who shall also be ex officio, the Marshal of the Corona, Mt. San Jacinto, and Three Lakes Judicial

Districts and who shall be elected by the voters of all four judicial districts. Any qualified incumbent marshal shall be entitled to be appointed as a deputy marshal if he is superseded pursuant to this subdivision, and an additional position may be created for such purpose, if necessary.

SEC. 4. Section 74134 of the Government Code is amended to read:

74134. In the Riverside Judicial District, the salary of the clerk shall be on range 59.0 and the clerk may appoint:

(a) One assistant clerk on range 53.0.
(b) One release investigator on range 52.5.
(c) Two assistant release investigators on range 51.0.
(d) Three municipal court clerks II on range 50.5.
(e) One accounting technician on range 49.0.
(f) Six municipal court clerks I on range 48.5.
(g) Five senior clerks on range 45.0.
(h) One senior accounting clerk on range 46.0.
(i) One senior stenographer-clerk on range 46.5.
(j) Fourteen typist-clerks II on range 42.0.
(k) Two clerks II on range 41.5.
(*l*) One assistant clerk, branch court on range 52.0.
(m) One accounting clerk on range 43.0.

SEC. 5. Section 74135 of the Government Code is amended to read:

74135. In the Riverside Judicial District, the salary of the marshal shall be twenty-two thousand one hundred four dollars ($22,104) per year and the marshal may appoint:

(a) One assistant marshal on range 55.0.
(b) Six deputy marshals II on range 52.0.
(c) Five deputy marshals I on range 49.0.
(d) One senior accounting clerk on range 46.0.
(e) Three typist-clerks II on range 42.0.

SEC. 6. Section 74136 of the Government Code is repealed.

SEC. 7. Section 74136 is added to the Government Code, to read:

74136. In the Desert Judicial District, the salary of the clerk shall be on range 59.0 and the clerk may appoint:

(a) One assistant clerk on range 53.0.
(b) One assistant clerk, branch court on range 52.0.
(c) One release investigator on range 52.5.
(d) One municipal court clerk II on range 50.5.
(e) Eight municipal court clerks I on range 48.5.
(f) One accounting technician on range 49.0.
(g) One accounting clerk on range 43.0.
(h) One senior accounting clerk on range 46.0.
(i) Three senior clerks on range 45.0.
(j) Fifteen typist-clerks II on range 42.0.

SEC. 8. Section 74137 of the Government Code is repealed.

SEC. 9. Section 74137 is added to the Government Code, to read:

74137. In the Desert Judicial District, the salary of the marshal

shall be twenty-two thousand one hundred four dollars ($22,104) and the marshal may appoint:

(a) One assistant marshal on range 55.0.
(b) Three senior deputy marshals on range 53.0.
(c) Five deputy marshals II on range 52.0.
(d) Four deputy marshals I on range 49.0.
(e) One senior accounting clerk on range 46.0.
(f) One senior clerk on range 45.0.
(g) Five typist-clerks II on range 42.0.

SEC. 10. Section 74138 of the Government Code is amended to read:

74138. In the Corona Judicial District, the salary of the clerk shall be on range 56.0 and the clerk may appoint:

(a) One municipal court clerk II on range 50.5.
(b) Two municipal court clerks I on range 48.5.
(c) One senior accounting clerk on range 46.0.
(d) Two senior clerks on range 45.0.
(e) Three typist-clerks II on range 42.0.

SEC. 11. Section 74139 of the Government Code is amended to read:

74139. In the Corona Judicial District, the marshal may appoint:

(a) Two deputy marshals II on range 52.0.
(b) Two deputy marshals I on range 49.0.
(c) One senior accounting clerk on range 46.0.
(d) One typist-clerk II on range 42.0.

SEC. 12. Section 74141 is added to the Government Code, to read:

74141. In the Mt. San Jacinto Judicial District, the salary of the clerk shall be on range 57.0 and the clerk may appoint:

(a) One traffic referee-assistant clerk on range 56.0.
(b) One assistant clerk, branch court on range 52.0.
(c) One municipal court clerk II on range 50.5.
(d) Two municipal court clerks I on range 48.5.
(e) One senior accounting clerk on range 46.0.
(f) One accounting clerk on range 43.0.
(g) Four senior clerks on range 45.0.
(h) One bail clerk on range 44.5.
(i) Eight typist-clerks II on range 42.0.
(j) One clerk II on range 41.5.

SEC. 13. Section 74142 is added to the Government Code, to read:

74142. In the Mt. San Jacinto Judicial District, the marshal may appoint:

(a) One senior deputy marshal on range 53.0.
(b) Two deputy marshals II on range 52.0.
(c) Two deputy marshals I on range 49.0.
(d) One accounting clerk on range 43.0.
(e) Two typist-clerks II on range 42.0.

SEC. 14. Section 74143 is added to the Government Code, to

read:

74143. In the Three Lakes Judicial District, the salary of the clerk shall be on range 55.0 and the clerk may appoint:

(a) Two municipal court clerks I on range 48.5.

(b) One senior accounting clerk on range 46.0.

(c) Two typist-clerks II on range 42.0.

SEC. 15. Section 74144 is added to the Government Code, to read:

74144. In the Three Lakes Judicial District, the marshal may appoint:

(a) One deputy marshal II on range 52.0.

(b) One deputy marshal I on range 49.0.

(c) One senior accounting clerk on range 46.0.

(d) One typist-clerk II on range 42.0.

SEC. 16. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity which desired legislative authority to act to carry out the program specified in this act.

SEC. 17. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to maintain competent municipal court employees in the Riverside County judicial districts, and to allow salary adjustments for municipal court employees in such districts to be effective for the current fiscal year, it is necessary that this act take effect immediately.

CHAPTER 307

An act to add Section 6585.1 to the Elections Code, relating to supervisorial elections.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 6585.1 is added to the Elections Code, to read:

6585.1. In the event there are only two candidates for any one office of a county supervisor, such office of county supervisor shall not be placed on the official ballot and shall not be voted upon at the ensuing direct primary election, but such office shall be placed on the official ballot for, and be voted upon at, the ensuing November general election.

CHAPTER 308

An act to add Section 714.5 to the Code of Civil Procedure, relating to judgment debtors.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 714.5 is added to the Code of Civil Procedure, to read:

714.5. In addition to the procedure set forth in Section 714, the judgment creditor may propound written interrogatories to a judgment debtor represented by counsel in the manner set forth in Section 2030, and the judgment debtor shall be required to answer the interrogatories in the same manner and within the same time as required by Section 2030. Interrogatories may be served pursuant to this section any time after execution against property of the judgment debtor may properly be issued. The provisions of this section may be enforced, to the extent practicable, in the same manner as interrogatories in a civil action. The procedure authorized by this section is cumulative to, and may be used in conjunction with, the procedures set forth in Section 714. A judgment debtor may not be required to respond to interrogatories pursuant to this section more frequently than once in any four-month period or within any four-month period during which he has been subject to an examination pursuant to Section 714.

CHAPTER 309

An act to amend Section 13501.5 of the Education Code, relating to public schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 13501.5 of the Education Code is amended to read:

13501.5. If compensation is provided to certificated employees of any elementary, high, or unified school district for a work assignment which is not part of the contracted instructional day duties, like compensation, whether paid on an hourly or monthly basis, or on a flat rate basis or otherwise, shall be paid to all certificated employees of the district who perform like work with comparable responsibilities. Under no condition shall certificated employees who

are working comparable hours and responsibilities beyond the instructional day be paid differently based on the employee's sex. Nothing in this section shall be construed as prohibiting a school district from establishing a salary schedule based on experience for persons who are employed for such work. Nothing in this section shall be construed as requiring a district to compensate certificated employees for work assignments which are not part of the contracted instructional day duties simply because other employees of the district receive compensation for work assignments which involve different types of service.

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

Chapter 1100 of the Statutes of 1975, which enacted Section 13501.5 of the Education Code, was intended to prohibit discrimination in the awarding of salaries to certificated employees of any elementary, high, or unified school district for work performed beyond the instructional day. Some question has arisen as to its manifested purpose. In order that the law may be clarified at the earliest possible time and insure the continued normal operation of the public schools, it is essential that this act take immediate effect.

CHAPTER 310

An act to add Sections 10012, 10013, 10014, 10015, 10310.2, 10310.4, and 10610 to the Streets and Highways Code, relating to special assessment proceedings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976.]

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

SECTION 1. Section 10012 is added to the Streets and Highways Code, to read:

10012. This division shall be liberally construed in order to effectuate its purposes. No error, irregularity, informality, and no neglect or omission of any officer, in any procedure taken under this division, which does not directly affect the jurisdiction of the legislative body to order the work or improvement, shall avoid or invalidate such proceeding or any assessment for the cost of work done thereunder. The exclusive remedy of any person affected or aggrieved thereby shall be by appeal to the legislative body in accordance with the provisions of this division.

SEC. 2. Section 10013 is added to the Streets and Highways Code, to read:

10013. Whenever any notice, resolution, order, or other matter is required to be published or posted, and the duty of posting or publishing, or procuring the same, is not specifically enjoined upon any officer or person, the clerk shall post or procure the publication or posting thereof, as the case may be.

No step in any proceeding shall be invalidated or affected by any error or mistake or departure from the provisions of this section as to the officer or person posting or publishing, or procuring the publication or posting, of any notice, resolution, order, or other matter when the same is actually published or posted for the time required.

SEC. 3. Section 10014 is added to the Streets and Highways Code, to read:

10014. The failure of the clerk to mail any notice or the failure of any person to receive the same shall not affect in any way whatsoever the validity of any proceedings taken under this division, nor prevent the legislative body from proceeding with any hearing so noticed.

SEC. 4. Section 10015 is added to the Streets and Highways Code, to read:

10015. No notice, nor any publication of any notice, order, resolution, or other matter, other than that expressly provided in this part or elsewhere in this division, shall be necessary to give validity to any of the proceedings provided in this division.

SEC. 5. Section 10310.2 is added to the Streets and Highways Code, to read:

10310.2. Any written or oral protest not made at the time and in the manner provided in Section 10310 shall be deemed to be waived voluntarily by any person who might have made such protest and such person shall be deemed to have consented to the proposed improvement, the extent of the assessment district, the proposed assessment and any other act, determination, or proceeding on which protest could be made.

SEC. 6. Section 10310.4 is added to the Streets and Highways Code, to read:

10310.4. The legislative body may remedy, revise, and correct any error or informality in any act, determination, or proceeding of the legislative body or any officer of the city. The legislative body may confirm, amend, alter, modify, or correct the assessment and diagram in such manner as to it shall be just and may instruct and direct the person or board making the same to correct them in any particular.

SEC. 7. Section 10610 is added to the Streets and Highways Code, to read:

10610. Bonds issued pursuant to this chapter shall be conclusive evidence of the regularity of all proceedings under this division leading up to such issuance.

SEC. 8. The Legislature hereby finds and declares that this act does not constitute a change in, but is only declaratory of, the existing law as it relates to the Municipal Improvement Act of 1913.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Proceedings under the Municipal Improvement Act of 1913 are widely used to finance projects for waterlines, sanitary sewers, storm drains, and other facilities for the protection of public health and safety. Inasmuch as the validity of certain such proceedings has been challenged in litigation, it is necessary that this act, adding various curative provisions to such improvement act, take effect immediately.

CHAPTER 311

An act to add Section 15955.3 to the Education Code, relating to school equipment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 15955.3 is added to the Education Code, to read:

15955.3. In addition to utilizing the procedures specified in Article 9 (commencing with Section 16401) of Chapter 2 of Division 12, any school district or any county board of education may, by direct sale or otherwise, sell to a purchaser any electronic data-processing equipment owned by, or to be owned by, the school district or county board, if the purchaser agrees to lease the equipment back to the school district or county for use by the school district or county following the sale.

The approval by the governing board of the school district or of the county superintendent of schools of the sale and leaseback shall be given only if the governing board of the school district or the county superintendent of schools finds, by resolution, that the sale and leaseback is the most economical means for providing electronic data-processing equipment to the school district or county.

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

In order for school districts to receive the monetary savings that will result from the implementation of these provisions at the earliest possible time, it is necessary that this act take immediate effect.

CHAPTER 312

An act to amend Section 1632 of the Civil Code, relating to contracts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 1632 of the Civil Code is amended to read:

1632. (a) Any person engaged in a trade or business who negotiates primarily in the Spanish language orally or in writing in the course of entering into:

(1) A contract or agreement subject to the provisions of Title 2 (commencing with Section 1801) of, and Chapter 2b (commencing with Section 2981) and Chapter 2d (commencing with Section 2985.7) of Title 14 of, Part 4 of Division 3;

(2) A loan or extension of credit secured other than by real property, or unsecured, for use primarily for personal, family or household purposes;

(3) A lease, sublease, rental contract or agreement, or other term of tenancy contract or agreement, for a period of longer than one month, covering a dwelling, an apartment, or mobilehome, or other dwelling unit normally occupied as a residence; or

(4) Notwithstanding paragraph (2), a loan or extension of credit for use primarily for personal, family or household purposes where such loan or extension of credit is subject to the provisions of Article 7 (commencing with Section 10240), Chapter 3, Part 1, Division 4 of the Business and Professions Code, or Division 7 (commencing with Section 18000) or Division 9 (commencing with Section 22000) of the Financial Code; or

(5) A contract or agreement, containing a statement of fees or charges, entered into for the purpose of obtaining legal services, when the person who is engaged in business is currently licensed to practice law pursuant to Chapter 4 (commencing with Section 6000) of Division 3 of the Business and Professions Code;

shall, upon the request of any party to such contract or agreement and prior to the execution thereof, deliver an unexecuted Spanish-language translation of the contract or agreement, except that for a loan subject to this part and to the provisions of Article 7 (commencing with Section 10240), Chapter 3, Part 1 of Division 4 of the Business and Professions Code, the making available upon request of a party to such loan or extension of credit, a Spanish-language translation of the statement to borrower required by Section 10240 of the Business and Professions Code, shall be deemed compliance with this subdivision. At the time and place where a contract or agreement described in this paragraph is

entered into, a Spanish-language notice shall be provided to the lessee or tenant.

(b) At the time and place where a contract or agreement described in paragraph (1) or (2) of subdivision (a) is entered into, a Spanish-language notice shall be provided and conspicuously displayed to the effect that the person described in subdivision (a) is required to make available upon request an unexecuted Spanish-language contract or agreement. If a person described in subdivision (a) does business at more than one location or branch, the requirements of this section shall apply only with respect to the location or branch at which the Spanish language is used.

(c) The term "contract" or "agreement," as used in this section, means the document creating the rights and obligations of the parties and includes any subsequent document making substantial changes in the rights and obligations of the parties. The term "contract" or "agreement" does not include any subsequent documents authorized or contemplated by the original document such as periodic statements, sales slips or invoices representing purchases made pursuant to a credit card agreement, a retail installment contract or account or other revolving sales or loan account, memoranda of purchases in an add-on sale, or refinancing of a purchase as provided by, or pursuant to, the original document.

The term "contract" or "agreement" does not include a home improvement contract as defined in Sections 7151.2 and 7159 of the Business and Professions Code, nor does it include plans, specifications, description of work to be done and materials to be used, or collateral security taken or to be taken for the retail buyer's obligation contained in a contract for the installation of goods by a contractor licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, if such home improvement contract or installation contract is otherwise a part of a contract described in subdivision (a).

Matters ordinarily incorporated by reference in contracts or agreements as described in paragraph (3) of subdivision (a), including but not limited to rules and regulations governing a tenancy and inventories of furnishings to be provided by the person described in subsection (a) are not included in the term "contract" or "agreement."

(d) This section shall not apply to any person engaged in a trade or business who negotiates primarily in the Spanish language as described by subdivision (a) if the party with whom he is negotiating is a buyer of goods or services, or receives a loan or extension of credit, or enters an agreement obligating himself as a tenant, lessee, or sublessee, or similarly obligates himself by contract or lease, and such party negotiates the terms of the contract, lease, or other obligation through his own interpreter.

As used in this subdivision, "his own interpreter" means a person able to speak fluently and read with full understanding the English and Spanish languages, and who is not employed by, or whose service

is made available through, the person engaged in the trade or business.

(e) The terms of the contract or agreement which is executed in English shall determine the rights and obligations of the parties. However, the Spanish-language translation of the contract shall be admissible in evidence only to show that no contract was entered into because of a substantial difference in the material terms and conditions of the contract and the translation.

(f) Upon a failure to comply with the provisions of this section, the person aggrieved may rescind the contract or agreement in the manner provided by this chapter. When the contract for a consumer credit sale or consumer lease which has been sold and assigned to a financial institution is rescinded pursuant to this subdivision, the consumer shall make restitution to and have restitution made by the person with whom he made the contract, and shall give notice of rescission to the assignee. Notwithstanding that the contract was assigned without recourse, the assignment shall be deemed rescinded and the assignor shall promptly repurchase the contract from the assignee.

(g) A person engaged in a trade or business may submit to the Department of Consumer Affairs and the department shall then verify the accuracy of Spanish-language translations of contracts, agreements, and notices.

(h) Notwithstanding any other provision of law, the liability of the Department of Consumer Affairs and its employees in verification of the translation of contracts from English to Spanish is limited to misrepresentations in such translations and the liability of the Department of Consumer Affairs and employees is controlled by Sections 815.2 and 822.2 of the Government Code.

(i) No advertisement, announcement, publication or other representation either oral or written that a contract or agreement translation from English to Spanish has been verified by the Department of Consumer Affairs may be made by any person, business or employee utilizing such translated contracts or agreements.

(j) Immediately upon the enactment of this provision the Department of Consumer Affairs shall prepare a schedule of fees for translation verification as set forth herein.

SEC. 2. This act shall apply to contracts or agreements entered into on or after July 1, 1976, except that with respect to banks, this act shall apply to contracts entered into on or after January 1, 1977.

SEC. 3. This act shall become operative on July 1, 1976.

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

It is necessary that this act take immediate effect in order to avoid the reprinting of forms.

CHAPTER 313

An act to amend Section 56470 of the Government Code, and to add Section 35509 to the Water Code, relating to local agency formation commissions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 56470 of the Government Code is amended to read:

56470. Any change of organization or reorganization may provide for or be made subject to one or more of the following terms and conditions:

(a) The payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of any city, county or district.

(b) The levying or fixing and the collection of (i) special, extraordinary or additional taxes or assessments, or (ii) special, extraordinary or additional service charges, rentals or rates, or (iii) both, for the purpose of providing for any payment required pursuant to subdivision (a) of this section.

(c) The imposition, exemption, transfer, division or apportionment, as among any affected cities, counties and districts of liability for payment of all or any part of principal, interest and any other amounts which shall become due on account of all or any part of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of any city, county, district or any improvement district therein and the levying or fixing and the collection of any (i) taxes or assessments, or (ii) service charges, rentals or rates or, (iii) both in the same manner as provided in the original authorization of the bonds and in the amount necessary to provide for such payment.

(d) If, as a result of any term or condition made pursuant to subdivision (c), the liability of any affected city, county or district for payment of the principal of any bonded indebtedness shall be increased or decreased, said term and condition may specify the amount, if any, of such increase or decrease which shall be included in or excluded from the outstanding bonded indebtedness of any such agency for the purpose of the application of any statute or charter provision imposing a limitation upon the principal amount of outstanding bonded indebtedness of such agency.

(e) The formation of a new improvement district or districts or the annexation or detachment of territory to or from any existing improvement district or districts.

(f) The incurring of new indebtedness or liability by or on behalf of all or any part of any district, including territory being annexed to any district, or of any existing or proposed new improvement district therein. The new indebtedness may be the obligation solely of territory to be annexed provided the district has the authority to establish zones for incurring indebtedness. The indebtedness or liability shall be incurred substantially in accordance with the laws otherwise applicable to the district.

(g) The issuance and sale of any bonds, including authorized but unissued bonds of a subject district, either by such district or by a district designated as the successor to any district which shall be extinguished as a result of any change of organization or reorganization.

(h) The acquisition, improvement, disposition, sale, transfer or division of any property, real or personal.

(i) The disposition, transfer or division of any moneys or funds (including cash on hand and moneys due but uncollected) and any other obligations.

(j) The fixing and establishment of priorities of use or right of use of water, or capacity rights in any public improvements or facilities or of any other property, real or personal.

(k) The establishment, continuation or termination of any office, department or board, or the transfer, combining, consolidation, or separation of any offices, departments or boards, or any of the functions thereof, if, and to the extent that, any such matters shall be authorized by the principal act.

(*l*) The employment, transfer or discharge of employees, the continuation, modification or termination of existing employment contracts, civil service rights, seniority rights, retirement rights and other employee benefits and rights.

(m) The designation of a city, county or district, as the successor to any district which shall be extinguished as a result of any change of organization or reorganization, for the purpose of succeeding to all of the rights, duties and obligations of the extinguished district with respect to enforcement, performance or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of said extinguished district.

(n) The designation (i) of the method for the selection of members of the legislative body of a district or (ii) the number of such members, (iii) or both, where the proceedings are for a consolidation, or a reorganization providing for a consolidation or formation of a new district and the principal act provides for alternative methods of such selection or for varying numbers of such members, or both.

(o) The initiation, conduct or completion of proceedings on a proposal made under and pursuant to the Knox-Nisbet Act, Chapter 6.6 (commencing with Section 54773) of Division 2, Title 5.

(p) The fixing of the effective date of any change of organization, subject to the limitations of Section 56456.

(q) Any terms and conditions authorized or required by the principal act with respect to any change of organization.

(r) The continuation or provision of any service currently provided or previously authorized by official act of the district to be provided.

(s) Any other matters necessary or incidental to any of the foregoing.

SEC. 2. Section 35509 is added to the Water Code, to read:

35509. In the event that the boundaries of any district, which is authorized to exercise the powers granted by this article, are altered pursuant to the District Reorganization Act of 1965, Division 1 (commencing with Section 56000) of Title 6 of the Government Code, such powers may continue to be exercised only within that portion of the district originally authorized to exercise such powers, when provided by terms and conditions adopted pursuant to Section 56470 of the Government Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Certain districts in the state have adopted resolutions requesting the local agency formation commission of the county in which they are located, to approve their consolidation on terms and conditions which are not presently authorized by the District Reorganization Act of 1965. In order to complete the reorganization in 1976, and, in the opinion of the boards of directors of the districts proposed for consolidation, to save the landowners and residents of the districts considerable expense and provide a more efficient water service thereto, it may be necessary to hold an election on the question of the consolidation on November 2, 1976. In order to meet that election date and to complete the consolidation prior to January 1, 1977, it is necessary, therefore, that the provisions of this act go into immediate effect.

CHAPTER 314

An act to amend Sections 6254 and 6260 of the Government Code, relating to records.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Section 6254.7, nothing in this chapter shall be construed to require disclosure of records that are:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda which are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding such records clearly outweighs the public interest in disclosure;

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled;

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy;

(d) Contained in or related to:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies;

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of any state agency referred to in subdivision (1);

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of any state agency referred to in subdivision (1); or

(4) Information received in confidence by any state agency referred to in subdivision (1).

(e) Geological and geophysical data, plant production data and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person;

(f) Records of complaints to or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any such investigatory or security files compiled by any other state or local agency for correctional, law enforcement or licensing purposes, except that local police agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the persons involved in an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage as the result of the incident caused by arson, burglary, fire, explosion, robbery, vandalism, or a crime of violence as defined by subdivision (b) of Section 13960, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, disclosure would endanger the successful

completion of the investigation or a related investigation;

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination;

(h) The contents of real estate appraisals, engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until such time as all of the property has been acquired or all of the contract agreement obtained, provided, however, the law of eminent domain shall not be affected by this provision;

(i) Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying such information;

(j) Library and museum materials made or acquired and presented solely for reference or exhibition purposes;

(k) Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege;

(*l*) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's legal affairs secretary, provided public records shall not be transferred to the custody of the Governor's legal affairs secretary to evade the disclosure provisions of this chapter;

(m) In the custody or maintained by the Legislative Counsel;

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with such licensing agency to establish his personal qualification for the license, certificate, or permit applied for; and

Nothing in this section is to be construed as preventing any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

SEC. 2. Section 6260 of the Government Code is amended to read:

6260. The provisions of this chapter shall not be deemed in any manner to affect the status of judicial records as it existed immediately prior to the effective date of this section, nor to affect the rights of litigants, including parties to administrative proceedings, under the laws of discovery of this state, nor to limit or impair any rights of discovery in a criminal case.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 315

An act to amend Sections 12603 and 12605 of the Education Code, relating to certificates of proficiency, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 12603 of the Education Code is amended to read:

12603. (a) Any person 16 years of age or older, or who has been enrolled in the 10th grade for one academic year or longer, or who will complete one academic year of enrollment in the 10th grade at the end of the semester during which the next regular examination will be conducted, shall be permitted to have his proficiency in basic skills taught in public high schools verified according to criteria established by the Department of Education.

The State Board of Education shall award a "certificate of proficiency" to persons who demonstrate such proficiency. The certificate of proficiency shall be equivalent to a high school diploma, and the Department of Education shall keep a permanent record of the issuance of all such certificates.

(b) The Department of Education shall develop standards of competency in basic skills taught in public high schools and shall provide for the administration of examinations prepared by or with the approval of the department to verify such competency. Regular examinations shall be held once in the fall semester and once in the spring of every academic year on a date, as determined by the Department of Education, which will enable notification of examinees and the schools they attend, if any, of the results thereof not later than two weeks prior to the date on which that semester ends in a majority of school districts which maintain high schools.

In addition to regular examinations, the Department of Education may, at the discretion of the Director of Education, conduct examinations for all eligible persons once during each summer recess and may conduct examinations at such other times as the director deems necessary to accommodate eligible persons whose religious convictions or physical handicaps prevent their attending one of the regular examinations.

(c) The Department of Education may charge a fee for each examination application in an amount sufficient to recover the costs of administering the requirements of this section; provided, however, that such fee shall not exceed ten dollars ($10) per examination application. All fees levied and collected pursuant to this section shall be deposited in the State Treasury for remittance to the current support appropriation of the Department of

Education as reimbursement for costs of administering this section. Any reimbursements collected in excess of actual costs for administration of this section shall be transferred to the unappropriated surplus of the General Fund by order of the Director of Finance.

(d) The State Board of Education shall adopt such rules and regulations as are necessary for implementation of the provisions of this section.

SEC. 2. Section 12605 of the Education Code is amended to read:

12605. Any person 16 or 17 years of age exempt from compulsory continuation attendance laws by subdivision (e) of Section 12601 who has terminated his enrollment on the basis of such exemption shall be permitted by the governing board of the school district in which he resides to reenroll in the district, without prejudice, as if he had never taken advantage of subdivision (e) of Section 12601. If such person subsequently again terminates enrollment on the basis of such exemption, the district may deny him reenrollment until the beginning of the next semester in the district's academic year.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the Department of Education may have sufficient time for the preparation and planning of examinations which, by the terms of this act, must be administered at specified times coinciding with the school academic year, it is necessary that this act take effect immediately.

CHAPTER 316

An act to amend Section 9723 of the Government Code, relating to legislative journals.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 9723 of the Government Code is amended to read:

9723. One copy of the daily journal of each house, upon its approval by the house, shall be authenticated as so approved by the chief clerk or secretary of the house.

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CHAPTER 317

An act to amend Section 690.6 of the Code of Civil Procedure, relating to execution of judgment.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 2, 1976.]

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

SECTION 1. Section 690.6 of the Code of Civil Procedure is amended to read:

690.6. (a) One-half or such greater portion as is allowed by statute of the United States, of the earnings of the debtor received for his or her personal services rendered at any time within 30 days next preceding the date of a withholding by the employer under Section 682.3, shall be exempt from execution without filing a claim for exemption as provided in Section 690.50.

(b) All earnings of the debtor received for his or her personal services rendered at any time within 30 days next preceding the date of a withholding by the employer under Section 682.3, if necessary for the use of the debtor or the debtor's family residing in this state and supported in whole or in part by the debtor, unless the debts are:

(1) Incurred by the debtor, his or her spouse, or his or her family for the common necessaries of life.

(2) Incurred for personal services rendered by any employee or former employee of the debtor.

(c) The court shall determine the priority and division of payment among all of the creditors of a debtor who have levied an execution upon nonexempt earnings upon such basis as is just and equitable.

(d) Any creditor, upon motion, shall be entitled to a hearing in the court in which the action is pending or from which the writ issued for the purpose of determining the priority and division of payment among all the creditors of the debtor who have levied an execution upon nonexempt earnings pursuant to this section.

CHAPTER 318

An act to amend Section 73565 of the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976 Filed with Secretary of State July 2, 1976]

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

SECTION 1. Section 73565 of the Government Code is amended to read:

73565. Certain classes of positions prescribed in this article are deemed to be equivalent in job and salary level to position classifications included in the salary resolution of Monterey County. In order to maintain parity of compensation and employee benefits between attachés of the Monterey-Carmel Municipal Court District, Salinas Municipal Court District, and county employees having commensurate duties and responsibilities and to provide appropriate salary adjustments and employee benefits for related classes of court positions the provisions of this section shall govern salary adjustments and employee benefits for attachés of the Monterey-Carmel Municipal Court District and Salinas Municipal Court District in Monterey County.

On the effective date of any amendment to said resolution adjusting the salary of a county employee classification listed in the table of positions set forth in this section, the salary of the equivalent court position listed opposite thereto shall be adjusted an equivalent amount. In no event shall such salary adjustments exceed an amount equivalent to eight range numbers of the salary range number that is provided for such position on January 1, 1976. If the level of compensation established by any such salary adjustment is in excess of the maximum dollar amount shown on the last line of the schedule shown in Section 73564, the adjustment shall apply to each position in such classification on the effective date of the act fixing such amount.

No chief municipal court clerk employed by either court referred to in this article on January 1, 1976, shall have his or her individual rate of pay reduced by reason of reallocation of the employee to the classification of assistant clerk of the municipal court.

Table of Positions

Court classification	County classification
Municipal courts administrator	Municipal courts administrator
Assistant clerk of the municipal court	Assistant clerk of the municipal court
Senior municipal court clerk	Supervising clerk II
Municipal court clerk	Superior court clerk
Senior typist-clerk	Senior typist-clerk
Senior account clerk	Senior account clerk
Stenographer-clerk II	Stenographer-clerk II
Legal process clerk	Legal process clerk
Typist-clerk II	Typist-clerk II

Attachés of the Monterey-Carmel Municipal Court District and the Salinas Municipal Court District shall be entitled to all employee

benefits that are provided for or made applicable to the equivalent Monterey County employee classification, including anniversary dates, changes thereto, and step advancements.

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

In order to maintain parity of compensation and employee benefits between municipal court personnel in Monterey County and county employees with commensurate duties and responsibilities during 1976, it is necessary that this act go into immediate effect.

CHAPTER 319

An act to add Section 37915.5 to the Health and Safety Code, relating to housing and community development.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 2, 1976.]

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

SECTION 1. Section 37915.5 is added to the Health and Safety Code, to read:

37915.5. In developing criteria for selection of residential rehabilitation areas pursuant to subdivision (a) of Section 37922, the local agency shall analyze the need for senior citizen housing within its jurisdiction and shall, at a public hearing, consider criteria which give priority to rehabilitation of senior citizen housing.

CHAPTER 320

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 2, 1976.]

I object to the following appropriations in Senate Bill No. 1410.

Item 32—For support of Office of Planning and Research. I reduce this item from $610,069 to $597,569 by reducing paragraph (b) Operating Expenses and Equipment from $726,394 to $713,894.

I am reducing this item by $12,500 to reflect the amount needed to publish the economic practices manual.

Item 33—For support of Office of Emergency Services, California Emergency Council and Advisory Committees I reduce this item from $2,321,177 to $2,271,177 by changing paragraph (d) Federal Funds from $822,528 to $872,528

I am reducing this item by $50,000 and allowing the balance of the legislative augmentation because I do not want to cause any undue interruption in the ability of the Office of Emergency Service to provide coordination in disaster services during this dangerous fire season This augmentation was stimulated by a cut back by the federal government of a federally initiated program I am concerned that the state general fund is making up the difference without adequate review by the state This program will be closely examined in the coming months to determine whether it should be supported

Item 36—For support of Department of Justice I reduce this item from $46,909,844 to $46,842,344 by reducing paragraph (b) Operating Expenses and Equipment from $20,652,939 to $20,585,439

I reduce this item to reflect the amount needed for drug buys.

Item 61—For support of Secretary of State I reduce this item from $5,293,161 to $5,135,287 by reducing paragraph (a) Personal Services from $2,872,433 to $2,755,368 and paragraph (b) Operating Expenses and Equipment from $2,192,279 to $2,151,470

I am reducing this Item by $94,306 for the Notary Public Division because there remains sufficient funds in the Item to enable the Division to meet its responsibilities

I am eliminating the $11,850 augmentation for one electronic data processing position because the existing staff can adequately handle the work

I have also eliminated the $50,918 augmentation for the Division of Archives backlog and urge that the use of available staff from the University and State College systems be explored

Additionally, I am eliminating the $800 augmentation for the Heritage Preservation Commission The small amount of funds required for their duties can be absorbed within the Secretary of State's Budget

Item 95—For Salary Increase Fund, Civil Service and Related Classes I reduce the 9 7 percent for statutory salaries to 1 9 percent in order that no statutory salary is increased by more than $70 per month

Item 96—For Salary Increase Fund, Civil Service and Related Classes I reduce the 9 7 percent for statutory salaries to 1 9 percent in order that no statutory salary is increased by more than $70 per month

Item 98—For Salary Increase Fund, Civil Service and Related Classes I reduce the 9 7 percent for statutory salaries to 1 9 percent in order that no statutory salary is increased by more than $70 per month

Item 100—Increases in Compensation For Judges, Justices and Related Classes

This augmentation of $1,202,058 for increases in judicial salaries is reluctantly approved under compulsion of existing state law I will continue to seek elimination of the present pay raise formula which singles out judges for special treatment

Item 108—For support of Department of Food and Agriculture I reduce this item from $18,370,542 to $18,067,538 by reducing paragraph (a) Personal Services from $24,894,221 to $24,762,155 and paragraph (b) Operating Expenses and Equipment from $11,784,243 to $11,613,305

I am reducing the legislative augmentations for Predatory Animal Damage Control and Brucellosis Eradication The industries receiving these services should participate in the funding of these programs

Item 154—For support of the Division of Consumer Services, Department of Consumer Affairs

I approve this item with the understanding that a study will be conducted by the Department of Consumer Affairs that will determine the extent to which the activities of the Division of Consumer Services reasonably relate to the activities of the boards, bureaus, and commissions within the department and thus the appropriate mix of general and special funds and that the Director of Finance will adjust the funding mix in the item in accordance with the finding

Item 159 1—For transfer to the Service Revolving Fund I reduce this item from $3,000,000 to $1,000,000

I am reducing this item because I believe that $1,000,000 is an adequate amount to enable the State to initiate this new program to assist departments in the purchase of office copiers in those instances where it is determined to be economically feasible and in the best interest of the State

Item 163—For support of Department of General Services I reduce the schedule within this item by reducing paragraph (b) Operating Expenses and Equipment from $84,854,755 to $82,854,755 and paragraph (k) Amount payable from the General Fund (Item 159.1) from $-3,000,000 to $-1,000,000

I am reducing these sub-items to correspond to a similar action taken in regard to Item 159.1

Item 166.1—For support of California Public Broadcasting Commission I reduce this item from $347,339 to $222,000

I am not yet persuaded the state should assume a major role in support of public broadcasting Despite this reservation, I will approve the item as reduced to give the Public Broadcasting Commission an opportunity to demonstrate its value and the social justification to the taxpayer.

Item 166.3—For expenditure by the Department of General Services for indexing the California Administrative Code I eliminate this item

I am eliminating this item because the cost should be borne by the subscribers to the code as they are the primary beneficiaries of the program

Item 180—For support of Department of Veterans Affairs I reduce this item from $1,223,364 to $1,212,804 by reducing paragraph (a) Personal Services from $1,318,688 to $1,299,105 and paragraph (b) Operating Expenses and Equipment from $259,712 to $257,295, and paragraph (d) Amount payable from the Veterans Farm and Home Building Fund of 1943 (Item 182) from $-354,836 to $-343,396

I reduce this item by eliminating funds for one assistant for the California Veterans Board The work of this job does not justify a full-time position

Item 182—For support of Department of Veterans Affairs I reduce this item from $(354,836) to $(343,396)

I am reducing this item to correspond to a similar action taken in regard to item 180

Item 264—For support of Department of Parks and Recreation I reduce the schedule within this item by reducing paragraph (c) Minor capital outlay from $1,349,850 to $1,296,850, and by eliminating paragraphs (m) Amount payable from General Fund (Item 264.1), (n) Amount payable from General Fund (Item 264.2), (o) Amount payable from General Fund (Item 264.5)

I am reducing this subitem to reflect my action on Items 264.1, 264.2, and 264.5

Item 264.1—For support of The Department of Parks and Recreation I eliminate this item

I am eliminating this item because the restoration of the King's Beach Pier is not a state responsibility

Item 264.2—For support of The Department of Parks and Recreation I eliminate this item

I am eliminating this item because maintenance of King's Beach can be accomplished within existing resources

Item 264.5—For support of the Department of Parks and Recreation I eliminate this item

I am eliminating this item because the maintenance of the locally owned stairway at Twin Lakes State Beach is not a responsibility of the State

Item 280—For local assistance for alcoholism programs, Office of Alcoholism I reduce this item from $31,186,167 to $29,186,167 by reducing paragraph (f) County based programs from $6,000,000 to $4,000,000

Although I continue to question the effectiveness of this program, I am approving all but $2 million of this item in view of the strong interest expressed by the Legislature The appropriation is reduced by $2 million because the full $6 million augmentation cannot be effectively allocated in one year

Item 284—For support of the Judicially Committed Mentally Ill, Department of

Health I reduce this item from $26,569,779 to $26,369,779 by eliminating subitem (c) Augmentation for additional county coordinators in the amount of $200,000

I am deleting the legislative augmentation of $200,000 for additional county coordinators The budget, as approved, includes $300,000 to proceed with implementation of Chapter 1274/75 (AB 1229), including $100,000 for county coordinators in five counties I believe this to be adequate for the initial startup of this program

I have approved the $100,000 added by the Legislature for program evaluation and patient tracking at Atascadero State Hospital This will permit the Department of Health to evaluate the results of this new program during 1976–77

Item 285—For assistance of the Mental Health program, Department of Health I reduce this item from $285,891,289 to $284,641,289 by reducing paragraph (a) local mental health services from $199,578,694 to $198,328,694

The remaining amount provides for a $22 4 million increase in mental health programs over the 1975–76 authorized expenditures This will provide a six percent increase for cost of living and $10 5 million towards providing equity among counties in funding local mental health services

I am reducing the legislative augmentation of $1 0 million for offsetting local mental health programs revenue collection I fully expect local programs to exceed $2 0 million in collections as a result of the funding approved in this budget and thus maintain program support

I am also eliminating the amount of $200,000 augmented by the Legislature to contract for independent evaluations of the Short-Doyle programs and $50,000 for developing uniform reporting requirements in the local mental health information system I am asking the Department of Health in conjunction with the Conference of Local Mental Health Directors to, develop uniform reporting data among counties and closely scrutinize existing programs for effectiveness

Item 287—for local assistance for the Developmental Disabilities Program, Department of Health I reduce this item from $217,076,136 to $216,936,136 by reducing paragraph (d) community program development and special projects from $2,810,945 to $2,670,945

I am reducing Item 287 (d) in the amount of $140,000 proposed for establishment of a community based pilot sensory motor training program A sensory motor training program is currently being conducted in the state hospitals Sufficient funds are available for this purpose

Item 287.1—For support of State hospitals staffing, Department of Health I reduce this item from $10,000,000 to $6,000,000

I reduce this item in the amount of $4,000,000 proposed for increased staffing in the state hospitals The $6,000,000 retained will provide an increased level of care in state hospital programs to meet special patient needs In the meantime, the Director of Health will evaluate the results of the pilot projects and propose appropriate action

Item 291—For support of the cost of special social service programs, Department of Health

I am approving the $6,882,530 legislative augmentation for other county social services as a one-time only appropriation to help avoid impending layoffs It is my understanding that the affected parties will not seek general fund assistance for this purpose in subsequent years

Item 292—For support of Price and Provider Rate Increases, Department of Health I reduce this item from $80,679,397 to $63,179,397

I am eliminating $12 8 million added by the Legislature to provide for nursing home rate increases Sufficient funds are included within this item to provide a full 12 month, 6 percent rate increase for nursing homes to meet increased costs However, I would be supportive of legislation that provides for the improvement in the quality of nursing home care and training for personnel and am asking the Director of Health to develop a proposal which meets these goals In addition, I am reducing from $12,000,000 to $7,300,000 the augmentation provided by the Legislature for minimum wage increase for nursing homes The revised amount will be sufficient to fund current estimates of the impact of minimum wage increases and uniform allowances

for nursing personnel should the Industrial Welfare Commission increase minimum wage levels

Item 320—For support of Early Childhood Education I reduce this item from $97,700,000 to $97,450,000 by reducing paragraph (a) Total Program from $98,799,960 to $98,549,960

I am reducing this item in order to approve the American Indian Early Childhood Education Pilot Program under Item 328 1 pending the completion of a final report The Indian Early Childhood Education program should be considered to be a part of the regular Early Childhood Education program

Item 321—For support of The Educationally Disadvantaged Youth Program I reduce this item from $93,182,400 to $90,482,400 by reducing paragraph (a) Total Program from $94,075,870 to $91,375,870

I am reducing this appropriation $2,700,000 because in signing the provisions of SB 1641 into law, I will have included funds sufficient to meet the purposes of this augmentation

Item 322—For support of Compensatory Education, Department of Education I reduce this item from $3,892,925 to $3,695,000 by reducing paragraph (a) Demonstration programs in reading and mathematics from $3,242,925 to $3,045,000

I am reducing this appropriation by the $197,925 augmentation for inflation Administrative action in assuring cost effectiveness, the prime intent of such programs, can provide funds to successful projects through reallocation

Item 324—For support of The Master Plan for Special Education Pilot Program I reduce this item from $40,143,250 to $28,755,000 by reducing paragraph (a) Total Program from $40,451,677 to $29,063,427

I am reducing this appropriation by $11,388,250 I will sign into law SB 1641 which contains an appropriation of $11 4 million for the purpose of expanding the Master Plan for Special Education Pilot Program to serve 24,000 additional children in four new responsible local agencies This reduction will prevent double funding of program expansion

Item 325—For support of Occupational Training of Physically Handicapped and Mentally Retarded Pupils, Department of Education I reduce this item from $96,050 to $85,000

I am reducing this item to the amount in the budget as proposed Any additional funding for inflation should be provided locally

Item 327—For support of Child Development Programs I reduce this item from $67,082,479 to $65,590,098 by reducing paragraph (b) State Preschool Program from $24,645,425 to $23,153,044 and Subschedule (1) Total program from $25,265,489 to $23,773,108

I am approving the legislative augmentations to accomplish the buyout of the federal program and inflation adjustment for child care which will result in 4,600 additional children being served I am reducing this item to eliminate funds for inflation in Preschool Programs

Item 335—For support of the Department of Education I reduce this item from $13,658,484 to $13,598,484 by reducing paragraph (a) Personal Services from $29,865,839 to $29,825,539 and paragraph (b) Operating Expenses and Equipment from $22,051,716 to $22,032,016

I am reducing this item to delete the augmentation for two professional positions in the Internal Audits Office to review independent audits and expenditure reports of child development agencies Sufficient resources have been budgeted to accomplish this task

Item 345—For support of California Postsecondary Education Commission I reduce this item from $1,298,843 to $1,293,293 by reducing paragraph (b) Operating Expenses and Equipment from $1,271,332 to $1,265,782

I am approving the augmentation for travel expenses of the Student Advisory Committee in the reduced amount of $5,000 which is adequate for the Committee's needs

Item 346—For support of University of California I reduce this item from $612,832,460 to $612,485,460

I am reducing this item for the following reasons

Orange County Medical Center, Community Clinic —$150,000

I am eliminating this legislative augmentation on the basis that the complexities involved with the takeover of the Orange County Medical Center are such that we should gain some experience in operating the two existing community clinics before embarking on a third

Student Services —$197,000

A lack of agreement over the demonstration of need for this program enrichment and the availability of fee income to fund high priority needs lead me to eliminate this augmentation

Item 346.4—For support of the University of California, Riverside Air Pollution Research Center. I eliminate this item

The University is presently using special Regents' funds to finance the Air Research Center at the Riverside campus. I see no reason why this source of funding cannot be continued

Item 360—For support of California State University and Colleges. I reduce this item from $576,326,000 to $575,415,646 by reducing paragraph (a) Personal Services from $559,906,931 to $559,031,016 and paragraph (b) Operating Expenses and Equipment from $114,101,527 to $114,067,088

I am reducing this item for the following reasons

1. Faculty Enrichment $560,354

I am eliminating the augmentation for 34 additional faculty. I do not support an enrichment for faculty staffing at this time. The budget as submitted contained an increase of $3,832,137 for enrollment growth. This provided 526.4 additional faculty positions based upon the approved student-faculty ratio of 17.8 to 1.

2. Nursing Faculty $100,000

I am eliminating the special augmentation and related control language for additional nursing faculty. The budget as submitted provided 526.4 additional faculty positions and CSUC has the discretion to allocate those among campuses and disciplines to meet individual campus priorities.

3. Affirmative Action $250,000

The budget as submitted to the Legislature continued the 1975–76 level of funding which provides an affirmative action program on each campus. I believe that this amount, combined with the system's commitment to equal opportunity is sufficient.

Item 367—For support of California Student Aid Commission. I reduce this item from $2,386,760 to $2,346,760 by reducing paragraph (b) Operating Expenses and Equipment from $963,694 to $923,694.

I am eliminating the $40,000 augmentation for a master plan for further automating student aid programs. The Student Aid Commission has already entered into an interagency agreement with the Department of General Services to provide a master plan for the Commission's EDP operations. Also, the Commission, in conjunction with the California Postsecondary Education Commission, is currently developing a master plan for administration and coordination of all publicly funded student aid.

Item 368—For support of Scholarship Program (grants). I reduce this item from $45,797,178 to $43,450,833 by reducing paragraph (a) Awards from $49,574,649 to $47,228,304.

I am eliminating the inflation augmentation provided by the Legislature for scholarship grants. The budget for 1976–77 provides $8.8 million in additional state funds for student aid and will provide grants and services for approximately 16,636 additional students through the College Opportunity Grant Program and Education Opportunity Programs in the three public segments of higher education. I believe that additional funding for student aid should be used to provide financial aid and services for additional needy students, rather than providing more money and services only to persons already receiving such aid.

Item 369—For support of Student Aid Grants (College Opportunity Grant and Occupational Education and Training Grant Programs). I reduce this item from

$15,649,025 to $14,747,765 by reducing paragraph (a) College Opportunity Grant Program from $14,846,821 to $14,036,261 and paragraph (c) Occupational Education and Training Grant Program from $1,596,964 to $1,506,264

I am eliminating the inflation augmentations for College Opportunity Grants ($810,560) and Occupational Education and Training Grants ($90,700) I believe that additional funding for student financial aid should be used to provide financial aid for additional grantees, rather than awarding more money to persons already receiving such aid Even after reducing this item, the budget I submitted and the one I am approving includes a 50 percent increase in the number of grants which will be awarded in 1976–77 to recipients of college opportunity grants This is the largest one-year increase in the history of this program

Item 402—For capital outlay, Board of Governors of the California Community Colleges I reduce this item from $42,054,500 to $41,757,300 by eliminating paragraphs (53) Permanent facilities, master planning ($16,700), (54) Working drawings, health occupation communication and resources facility ($108,200), (58) Working drawings, technology addition No 2 ($35,000), (60) Working drawings, allied health center ($17,400), (61) Working drawings, library building ($95,000), and (62) Working drawings, art and music building addition ($24,900)

I am reducing this item for the following reasons·

The bond fund that traditionally has provided financing for the community college is exhausted and the people have voted against any additional bond financing Until additional financing is authorized by the people, the appropriation of state funds should only be the minimum essential to maintain a capital outlay program, which includes projects necessary to protect life and safety, to make existing facilities operable and to meet critical program capacity needs at existing campuses

Item 403—For capital outlay, Department of Parks and Recreation I reduce this item from $491,614 to $419,114 by eliminating paragraph (d) Salt Point State Park campground development, working drawings ($72,500)

I am eliminating $72,500 for working drawings for a campground at Salt Point State Park Project scope reductions necessitate the preparation of a new General Development Plan with associated public hearings and rereview by the State Park and Recreation Commission These activities will preclude the preparation of working drawings during the 1976–77 fiscal year

Item 411—For capital outlay, Department of Parks and Recreation I reduce this item from $4,160,351 to $3,610,351 by eliminating paragraphs (k) Salt Point State Park archaeological investigation and working drawings campground ($27,500), (t) American River Trail Acquisition and development ($500,000), and by reducing paragraph (u) Bidwell Mansion Visitor Center working drawings from $30,000 to $7,300

I am eliminating $27,500 for archaeological investigation and campground working drawings for Salt Point State Park Project scope reductions necessitate the preparation of a new General Development Plan with associated public hearings and rereview by the State Parks and Recreation Commission These activities will preclude the preparation of drawings and research during the 1976–77 fiscal year

I am also eliminating $500,000 for the American River Trail because the budget provides $1,200,000 for this trail in other items and because monies from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 are needed for other priority items

In addition, I am reducing the appropriation for Bidwell Mansion Visitor Center working drawings to $7,300, which should be a sufficient sum to fund the preliminary planning prerequisite to the preparation of working drawings

Item 416—For capital outlay, University of California—Health Sciences I reduce this item from $23,328,000 to $22,889,000 by eliminating paragraph (24 7) San Diego—Health Sciences Preliminary plans, working drawings, construct and equip improvements of University Hospital, 1976–77 ($439,000)

I am eliminating this subitem because adequate data is not available to justify the appropriation I am leaving in the augmentation for the Irvine Health Sciences Program with the understanding that such funding is contingent on the presentation of a detailed justification of the project, with respect to both its scope and underlying

purposes

Section 10 9—For support of Individualized Physical Education Pilot Program I eliminate this item

The Department of Education has an ongoing responsibility to assist districts in physical education programs, and can direct and assess the effectiveness of such instruction within existing resources and does not need an additional pilot program

Section 15—For support of Development of Community Programs to serve Developmentally Disabled, Department of Health I eliminate this item

I am eliminating this Section which reappropriates $1,000,000 for the development of community programs to serve the developmentally disabled in as much as sufficient funds are currently available for this purpose

Section 19 6—For augmentations to Items 368, 369(a), and 369(c) of this act I reduce the amounts under (a), (b), and (c) of this section by $864,200, $286,650, and $64,350 respectively

I am reducing the amounts under Sections 19 6 (a), for Scholarship Grants, (b) for College Opportunity Grants, and (c) for Occupational Education and Training Grants, to $17,462,800, $4,995,900, and $1,068,600 respectively These changes are related to the elimination of inflation augmentations to Items 368, 369(a), and 369(c) The 1976–77 budget includes new funds for grants to be awarded to additional eligible applicants, rather than awarding more money to persons already receiving student financial aid

With the above deletions and reductions, I hereby approve Senate Bill No 1410

EDMUND G BROWN JR, Governor

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

SECTION 1. This act shall be known and may be cited as the "Budget Act of 1976."

SEC. 2. The following sums of money, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for the use and support of the State of California for the 1976–77 fiscal year beginning July 1, 1976, and ending June 30, 1977. All such appropriations, unless otherwise herein provided, shall be paid out of the General Fund in the State Treasury.

Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom for any such purposes, to the extent only of the amount herein appropriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

Appropriations for purposes not otherwise provided for herein which have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

Item Amount

GENERAL GOVERNMENT

LEGISLATIVE

Item	Amount
1—For salaries of Senators	$926,000
2—For mileage of Lieutenant Governor, Senators and statutory officers of the Senate	1,800
3—For expenses of Members of the Senate	296,400
4—For contingent expenses of the Senate, including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund	12,001,461
5—For salaries of Assemblymen	1,900,000
6—For mileage of Assemblymen and statutory officers of the Assembly	4,000
7—For expenses of Members of the Assembly	592,800
8—For contingent expenses of the Assembly including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund	21,275,253
9—For expenses of Joint Legislative Committee for the Revision of the Penal Code.	143,000
10—For legislative printing, binding, mailing and other necessary expenses; and in addition thereto, any amounts received from the sale of legislative publications	3,500,000
notwithstanding any other provision of Section 2 of this act, this appropriation shall be available without regard to fiscal years; provided further, that funds appropriated by this item shall not be expended for the purpose of providing the compilation of any California code or portion thereof in computer usable form, except as expressly authorized in writing by the Joint Rules Committee.	

Item	Amount
11—For the expenses of joint committees and their members and for any charges, expenses, or claims they may incur, to be transferred by the State Controller to the Contingent Funds of the Assembly and Senate, available without regard to fiscal years, to be paid on certification of chairmen of the committees to which allocations have been made by statute or concurrent resolution or by resolution of the Joint Rules Committee	5,100,000
12—For support of Legislative Counsel Bureau	4,042,215
13—For support of California Law Revision Commission	256,087
14—For support of California Commission on Uniform State Laws	34,700
15—For state's contribution to the Legislators' Retirement Fund, in accordance with Section 9358 of the Government Code	1,234,759
JUDICIAL	
16—For support of Supreme Court of California, Courts of Appeal, Judicial Council of California and Commission on Judicial Qualifications	17,009,159
provided, that the funds appropriated in this item may be allocated or reallocated between them by order of the Judicial Council subject to being reported to the Director of Finance.	
17—For support of Judicial Council, for implementing uniformity and consistency of procedure in traffic courts, payable from the Motor Vehicle Account, State Transportation Fund	32,770
18—For state's share of salaries of judges of superior courts as provided by Section 68206 of the Government Code	19,030,076
provided, that any funds which are unexpended due to vacancies in judgeships may be expended by the Judicial Council for extra compensation, expenses and staff for judges assigned by the Chairman of the Judicial Council.	
18.5—For transfer by the State Controller to the Judges' Retirement Fund for Supreme Court and appellate court judges	209,428
18.6—For transfer by the State Controller to the Judges' Retirement Fund for superior court and municipal court judges	2,546,198

Item		Amount
19—For payment to counties for the annual cost of superior court judgeships created subsequent to January 1, 1973, for disbursement as a block grant by the State Controller		2,100,000
20—For state's share of cost for membership in National Center for State Courts, Judicial Council of California		14,000
EXECUTIVE		
21—For support of Governor and of Governor's office (exempt from the provisions of Sections 925.6, 12410 and 13320 of the Government Code)		2,847,748
22—For support of Governor's residence (exempt from the provisions of Sections 925.6, 12410 and 13320 of the Government Code)		17,400
23—For special contingent expenses, Governor's office (exempt from the provisions of Sections 925.6, 12410 and 13320 of the Government Code)		15,000
24—For support of the Governor's office; for printing of the Governor's Budget, and, in addition thereto, any amounts received from the sale of publications		350,000
25—For support of Secretary of Agriculture and Services		391,118
26—For support of Business and Transportation Agency, payable from the Motor Vehicle Account, State Transportation Fund		363,007
Schedule:		
(a) Support	574,177	
(b) Reimbursements	−193,230	
(c) Amount payable from the General Fund	−17,940	
27—For support of Business and Transportation Agency to be transferred to the Motor Vehicle Account, State Transportation Fund, in augmentation of Item 26.		17,940
28—For support of Secretary of Health and Welfare provided, that none of the $25,000 appropriated by this item for expenditure by the EDP task force for consultant and professional services shall be expended unless and until approved by the Department of Finance.		580,096
29—For support of Secretary of Resources		743,701
31—For support of Office of Employee Relations in the Governor's office		203,424
32—For support of Office of Planning and Research		610,069

Item		Amount
Schedule:		
(a) Personal services	1,051,016	
(b) Operating expenses and equipment	726,394	
(c) Reimbursements	−12,000	
(d) Federal funds	−1,155,341	
and in addition thereto, any amounts received from federal grants or other sources. Provided, that the state clearinghouse shall forward copies of all state agencies' comments on proposed federal regulations to the Chairman of the Joint Legislative Budget Committee or his designee, and the chairman of the committee in each house which considers appropriations.		
33—For support of Office of Emergency Services, California Emergency Council and Advisory Committees		2,321,177
Schedule:		
(a) Personal services	1,906,290	
(b) Operating expenses and equipment	1,297,062	
(c) Reimbursements	−59,647	
(d) Federal funds	−822,528	
and in addition, any amounts received from federal grants or other sources shall be available for expenditure in accordance with the provisions of this item.		
Provided, that $599,684 of the funds appropriated by this item may be reduced by the Director of Finance, after notice to the Chairman of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the $822,528 scheduled above.		
34—For support of Lieutenant Governor		607,269
Schedule:		
(a) Personal services	427,747	
(b) Operating expenses and equipment	179,522	
35—For support of Commission of the Californias		59,323
GENERAL ADMINISTRATION		
36—For support of Department of Justice		46,909,844
Schedule:		
(a) Personal services	52,607,322	
(b) Operating expenses and equipment	20,652,939	

Item		Amount
	(c) Reimbursements	−13,947,707
	(d) Federal funds	−3,283,515
	(e) Amount payable from fingerprint fees in the General Fund (Item 37)	−2,435,112
	(f) Amount payable from the Attorney General's Antitrust Account, General Fund (Item 38)	−1,290,705
	(h) Amount payable from Motor Vehicle Account, State Transportation Fund (Item 40)	−5,393,378
37	For support of the Department of Justice, to be transferred to, and in augmentation of, Item 36, payable from fingerprint fees deposited in the General Fund pursuant to subdivision (e) of Section 11105 of the Penal Code	2,435,112
38	For support of the Department of Justice, to be transferred to, and in augmentation of, Item 36, payable from the Attorney General Antitrust Account, General Fund	1,290,705
40	For support of Department of Justice, to be transferred to and in augmentation of Item 36, payable from the Motor Vehicle Account, State Transportation Fund	5,393,378
	Schedule:	
	(a) Data processing	4,633,941
	(b) Uniform Blood Alcohol Program	759,437
41	For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund	2,250,641
	Schedule:	
	(a) Personal services	1,612,990
	(b) Operating expenses and equipment	637,651
42	For allocation to cities, counties, and cities and counties, pursuant to Section 13523 of the Penal Code, and for payment of contracts pursuant to Section 13503(c) of the Penal Code, Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund	9,152,392
43	For support of the Office of Criminal Justice Planning	141,945
	Schedule:	
	(a) Personal services	777,312
	(b) Operating expenses and equipment	737,302
	(c) Department of Justice—privacy and security	48,000

Item		Amount
(d) California Youth Authority—juvenile justice planning	336,000	
(e) Regional training center	400,000	
(f) Reimbursements	−400,000	
(g) Federal funds	−1,756,669	
provided, that funds appropriated from the General Fund shall not be expended in excess of the minimum amount required to match federal grant expenditures for support of the Office of Criminal Justice Planning.		
44—For allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions and other state agencies in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund in such amounts as will make sufficient money available for the state's matching fund contribution for federal grants made by the Law Enforcement Assistance Administration		1,000,000
45—For the Office of Criminal Justice Planning for the state's matching fund contribution to secure federal grants for redistribution to local agencies for criminal justice programs		2,767,223
46—For support of the Office of the State Public Defender		3,036,682
47—For contribution to counties for providing legal assistance to indigents in accordance with Section 987.6 of the Penal Code		775,000
48—For payment to counties for cost of homicide trials pursuant to Sections 15201 to 15203, inclusive, of the Government Code, Department of Finance		100,000
49—For the administration, investigation, adjustment, defense and payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees, for expenditure by the Department of Finance in its discretion in respect to, or for allocation by the Department of Finance in its discretion to, state agencies, departments, boards, bureaus or commissions supported from the General Fund; or for the purchase of insurance protecting the state, its officers, servants and employees against such tort liability claims, including the defense of such claims whether or not liability exists, Department of Finance		1,583,374
Schedule:		
(a) Attorney General services	987,459	

Item		Amount
(b) Claim payments	385,533	
(c) Insurance premium	232,632	
(d) Reimbursements	−22,250	

and in addition thereto, there is hereby appropriated from each fund, other than the General Fund, an amount sufficient to pay the cost of administration, investigation, adjustment, defense, and payment of tort liability claims, settlements, compromises and judgments against the state or the state agency supported from such fund, arising from activities of such state agency, or for the purchase of insurance protecting the state, its officers, servants and employees of such state agency against tort liability claims and for the defense of such claims whether or not liability exists; provided, that no expenditures from any such appropriation from a fund other than the General Fund for payment of tort liability claims shall be made unless approved by the Department of Finance in its discretion; and provided further, that any funds appropriated herein may be expended for either, or any combination, of the purposes specified herein as may be approved by the Department of Finance.

50—For the payment of claims, Attorney General and Board of Control services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, State Board of Control		6,607,782
Schedule:		
(a) Claims	5,664,865	
(b) Attorney General services	713,994	
(c) Board of Control services	231,923	
(d) Transfer from Item 51	−3,000	
51—For transfer to and in augmentation of Item 50 from the Indemnity Fund, pursuant to Section 13964 of the Government Code, State Board of Control		3,000
53—For support of Agricultural Labor Relations Board		6,688,000
Schedule:		
(a) Personal services	4,708,000	
(b) Operating expenses and equipment	1,980,000	
54—For support of State Controller		17,762,044
Schedule:		
(a) Personal services	13,591,341	
(b) Operating expenses and equipment	4,511,343	

Item		Amount
(c) Consolidated data center	2,703,659	
(d) Reimbursements	−1,552,080	
(e) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 55)	−1,200,183	
(f) Amount payable from the State School Building Aid Fund (Item 56)	−218,667	
(g) Amount payable from the Aeronautics Account, State Transportation Fund (Item 57)	−73,369	

The appropriation made by this item shall be in lieu of any allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1976–77 fiscal year and no funds shall be allocated to the State Controller pursuant to Section 30462 during the 1976–77 fiscal year.

Provided, that the funds appropriated in subitem (c) may be allocated by the State Controller to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.

55—For support of State Controller, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund		1,200,183
56—For support of State Controller, the sum of $218,667 is appropriated from the State School Building Aid Fund		(218,667)
57—For support of State Controller, payable from the Aeronautics Account, State Transportation Fund		73,369
58—For support of State Board of Equalization		42,455,825
Schedule:		
(a) Personal services	43,695,302	
(b) Operating expenses and equipment	10,796,872	
(c) Reimbursements	−9,759,487	
(d) Amount payable from the State Energy Resources Conservation and Development Special Account, General Fund (Item 59)	−31,497	
(e) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 60)	−2,245,365	
59—For support of State Board of Equalization, pay-		

Item		Amount
able from the State Energy Resources Conservation and Development Special Account, General Fund		31,497
60—For support of State Board of Equalization, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund		2,245,365
61—For support of Secretary of State		5,293,161
Schedule:		
(a) Personal services	2,872,433	
(b) Operating expenses and equipment	2,192,279	
(c) Consolidated data center	319,449	
(d) Reimbursements	−91,000	
provided, that the funds appropriated in subitem (c) may be allocated by the Secretary of State to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976; provided further, that an amount equal to any funds expended in support of voter outreach programs, as identified in the Secretary of State's Budget Change Proposal, Budget I.D. No. ELEC, Request No. 1, dated September 24, 1975, shall be reimbursed to the General Fund from funds appropriated to the Secretary of State, by any act other than the Budget Act of 1976, for the implementation of the provisions contained in Chapter 704, Statutes of 1975, if such other act is chaptered prior to July 1, 1977.		
62—For printing constitutional amendments and other ballot measures, Secretary of State		1,742,200
63—For payment of per diem and mileage allowance to each presidential elector, in accordance with Section 25108 of the Elections Code, Secretary of State		2,000
64—To the State Controller to provide reimbursement, pursuant to Section 16100.6 of the Government Code, to local governments for the actual increased cost to such local governments caused by the provisions of Section 6555 of the Elections Code		30,450
provided, that the appropriation made by this item is in augmentation of, and in addition to, the funds continuously appropriated to the State Controller by Section 16100 of the Government Code		
65—For support of State Treasurer		1,673,745

Item		Amount
Schedule:		
(a) Personal services	1,421,581	
(b) Operating expenses and equipment	511,600	
(c) Consolidated data center	183,564	
(d) Reimbursements	−443,000	
provided, that the funds appropriated in subitem (c) may be allocated by the State Treasurer to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
66—For support of Department of Finance		7,954,671
Schedule:		
(a) Personal services	6,567,157	
(b) Operating expenses and equipment	1,407,514	
(c) Consolidated data center	40,000	
(d) Reimbursements	−60,000	
provided, that the funds appropriated in subitem (c) may be allocated by the Department of Finance to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
67—For support of Commission on California State Government Organization and Economy		130,592
provided, that no funds appropriated in this item shall be expended for contracting with private persons or groups for professional and technical services where such services are available through contract with state agencies.		
68—For support of California Commission on Interstate Cooperation		90,000
69—For support of the Arts Council		1,400,000
Schedule:		
(a) Support and grants for programs and projects supporting the arts	1,605,000	
(b) Federal grants	−205,000	
70—For support of Commission for Economic Development		169,303
Schedule:		
(a) Personal services	88,592	

Item		Amount
(b) Operating expenses and equipment	80,711	

provided, that the funds appropriated by this item, except for such funds allocated for expenditures for the necessary support of the commission incurred between July 1, 1976, and September 1, 1976, shall be expended only if the commission, on or before September 1, 1976, submits to the Joint Legislative Budget Committee a list of specific economic development objectives, and programs to achieve such objectives, that are capable of implementing such objectives and programs, as specified in the Supplementary Report of the Committee on Conference on the Budget Act of 1976.

71—For support of Military Department		6,612,636
Schedule:		
(a) Personal services	7,597,905	
(b) Operating expenses and equipment	3,566,093	
(c) Minor capital outlay	50,000	
(d) Reimbursements	−61,929	
(e) Federal funds	−4,539,433	

provided, that no expenditures shall be made from this appropriation as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, which in the absence of such expenditure, or of this appropriation, would be available to the Commanding General of the State Military Forces, the California National Guard or the California National Guard Reserve from the federal government.

72—For payment of military retirements, in accordance with the provisions of Sections 228 and 256 of the Military and Veterans Code, Military Department		778,892
73—For support of California Cadet Corps		245,506
Schedule:		
(a) Personal services	103,016	
(b) Operating expenses and equipment	142,490	
74—For support of Public Utilities Commission		11,854,308
Schedule:		
(a) Personal services	16,789,630	
(b) Operating expenses and equipment	3,425,526	
(c) Consolidated data center.	150,000	
(d) Reimbursements	−774,624	

Item		Amount
	(e) Federal funds	−20,000
	(f) Amount payable from the Transportation Rate Fund (Item 75)	−7,716,224
	provided, that the funds appropriated in subitem (c) may be allocated by the Public Utilities Commission to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.	
75	—For support of Public Utilities Commission, payable from the Transportation Rate Fund	7,716,224

MISCELLANEOUS

77	—For support of Commission on the Status of Women	197,224
	Schedule:	
	(a) Personal services	131,496
	(b) Operating expenses and equipment	65,728
78	—Pursuant to the provisions of the Political Reform Act of 1974 (Proposition 9), there is provided elsewhere by the initiative or by other items within this Budget Act for the administration, investigation, and regulation of political campaigns, officials, and lobbyists to the following several departments, agencies, boards, or commissions:	
	(a) Legislative Counsel	(25,000)
	(b) Secretary of State	(326,920)
	(c) Franchise Tax Board	(2,304,829)
	(d) Attorney General	(220,100)
	(e) Department of General Services	(224,640)
	(f) Fair Political Practices Commission	(1,200,000)
	Proposition 9 total	(4,301,489)
	provided, that the above listed agencies shall report their expenditures of any funds specified in the above amounts to the Joint Legislative Budget Committee by December 15, 1976, and by May 15, 1977; provided further, that the Department of Finance shall review quarterly all programmed expenditures relating to this item, made by the agencies listed in subitems (a) to (e), inclusive,	

Item		Amount
	and shall, pursuant to its authority under Section 13322 of the Government Code, withhold any amount specified in subitems (a) to (e), inclusive, to prevent any duplication of activities.	
79—For support of Educational Employment Relations Board		2,281,184
	provided, that no expenditure shall be made from funds appropriated by this item for the purposes of Section 3548 or 3548.3 of the Government Code; provided further, that no funds for the payment of election officers shall be expended unless and until election officers who conduct elections under the supervision of the Educational Employment Relations Board pursuant to subdivision (c) of Section 3541.3 of the Government Code shall certify, under penalty of perjury, that their conduct in all elections in which they serve shall be fair and impartial without preferential treatment for any party at interest in the election and ensure that all eligible voters may exercise their right to vote freely and in secret.	
79.1—For payment of expenses incurred by the Educational Employment Relations Board pursuant to Sections 3548 and 3548.3 of the Government Code, and for transfer, in augmentation of Item 79, for support of the Educational Employment Relations Board, by the State Controller		750,000
	provided, that none of the funds appropriated by this item shall be transferred to Item 79 unless and until authorized in writing by the Director of Finance; provided further, that no such authorization may be given sooner than 30 days after the Director of Finance gives written notification to the Chairman of the Joint Legislative Budget Committee and the chairman of the committee of each house which considers appropriations, or not sooner than such lesser time as each chairman, or his designee, may in each instance determine; provided further, that not more than $500,000 of the amount appropriated by this item shall be available for purposes of Sections 3548 and 3548.3 of the Government Code.	
80—For support of Intergovernmental Board on Electronic Data Processing		106,300
	provided, that in addition to the basic responsibilities assigned the board by law, the funds available	

Item		Amount
to the board shall be used to the fullest extent possible to develop the best possible communications between state and local governmental units in the development and implementation of coordinated data-processing systems to achieve the maximum amount of interchangeability between the various levels of government.		
81—For support of California Horse Racing Board, payable from the Fair and Exposition Fund		651,232
Schedule:		
(a) Personal services	479,632	
(b) Operating expenses and equipment	171,600	
82—For support of the Motion Picture Development Council.....		70,700
Schedule:		
(a) Personal services	40,100	
(b) Operating expenses and equipment	30,600	
83—For support of Board of Osteopathic Examiners of the State of California, payable from the Contingent Fund of the Board of Osteopathic Examiners		122,800
84—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, payable from the Board of Pilot Commissioners' Special Fund.....		43,845
85—For the state's contribution for the cost of a health benefits plan, for annuitants and other employees, in accordance with Sections 22828 and 22829 of the Government Code, which is not chargeable to any other appropriation.....		10,703,388
86—For refunding of payments of taxes, licenses, fees and other receipts which have been erroneously collected and deposited in the General Fund for the refund of which no other provision is made by law, for refunding of amounts withheld and deposited in a fund in the State Treasury to any person who is determined to be liable to a taxpayer by reason of withholding and transmitting payments of taxes, interest, and penalties for the refund of which no other provision is made by law, and for payment of prior judgments, liens or encumbrances pursuant to Section 12516 of the Government Code		30,000

Item	Amount
provided, that expenditures made under this item shall be charged to the year in which the warrant is issued by the State Controller.	
87—For support of the California Information Systems Implementation Committee.....	33,870
TAX RELIEF	
88—For providing property tax assistance to claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance Law, Part 10.5 (commencing at Section 19501), of Division II of the Revenue and Taxation Code, Franchise Tax Board.....	51,200,000
89—For reimbursement to local taxing authorities for revenue lost by reason of the repeal or reduction of the property tax on the following classes of property affected by the following provisions of the Revenue and Taxation Code: (1) business inventories under Section 219; (2) motion pictures under Section 988; (3) livestock under Section 5523; and (4) wine and brandy under Section 992; State Controller ..... The appropriation made by this item shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.	422,000,000
90—For reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to Section 3k of Article XIII of the Constitution, State Controller ..... The appropriation made by this item shall be in lieu of the appropriation for the same purposes contained in Section 16100 of the Government Code.	798,000,000
91—For providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423 and 423.5 of the Revenue and Taxation Code, and in accordance with the provisions of Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code, State Controller	17,000,000

Item	Amount
The appropriation made by this item shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code, and may not be augmented.	
92—For reimbursement to local taxing authorities for revenue lost in accordance with the provisions of Sections 2229 and 2230 of the Revenue and Taxation Code, State Controller.....	5,107,000
93—For transfer, as needed, to the Personal Income Tax Fund by the State Controller for the purpose of providing credits and refunds to renters as required by Section 17053.5 of the Revenue and Taxation Code, as added by Section 25 of Chapter 1406, Statutes of 1972, Franchise Tax Board.....	135,000,000
provided, that the appropriation from the General Fund made by this item shall be in lieu of any appropriation for refunds to qualified renters from the Personal Income Tax Fund pursuant to Section 32 of Chapter 1406, Statutes of 1972.	
FEDERAL REVENUE SHARING	
94—For transfer by the State Controller, the sum of $215,000,000 is hereby appropriated from the Federal Revenue Sharing Fund to the General Fund and from the General Fund to Sections A and B of the State School Fund. Such transfers shall be made by the State Controller during the months of July and August, 1976.....	(215,000,000)
UNALLOCATED	
95—For Salary Increase Fund, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations for support or for other purposes, in such amounts:	
(a) As will make sufficient money available to be paid each state officer or employee in the state service exclusive of personnel in the University of California and in the California State University and Colleges, whose compensation, or portion thereof, is chargeable to the General Fund, the increase in compensation provided for in any in-	

Item		Amount
	creased salary range or rate including staff benefits established on or after July 1, 1976 by the State Personnel Board, the Department of Finance, the Judicial Council of California, or the Directors of Hastings College of Law, as the case may be.	
	(b) With respect to state officers whose salaries are specified by statute, an amount sufficient to augment by 9.7 percent the amount of salaries authorized by the 1975 Budget Act for such officers, during the 1976–77 fiscal year, pursuant to Section 11569 of the Government Code	54,796,001
	Provided, that increases in compensation provided by this item for increased salary ranges for positions established for the 1976–77 fiscal year shall not result in total annual salary increases, of more than $54,796,001; provided further, that no funds appropriated by this item shall be used to increase the salary range or rate of any civil service classification so as to exceed the prevailing rates, effective July 1, 1976, as projected by the State Personnel Board pursuant to its spring 1976 salary survey, for comparable service in other public employment and in private business. Before any increased salary range or rate established for any position for the 1976–77 fiscal year shall become effective, a certification shall be obtained from the Director of Finance that sufficient money either is available in funds authorized for the agencies or may be made available from the appropriation in this item, to meet the cost of such increases.	
96	—For Salary Increase Fund, for state officers and employees whose compensation including staff benefits, or portion thereof, is payable from special funds, there is hereby appropriated from each special fund from which such officers and employees are paid:	
	(a) An amount sufficient to provide the increase in compensation provided for in any increased salary range or rate including staff benefits established on or after July 1, 1976, by the State Personnel Board, the Department of Finance, or the Judicial Council of California, as the case may be.	

Item		Amount
	(b) With respect to state officers whose salaries are specified by statute, an amount sufficient to augment by 9.7 percent the amount of salaries authorized by the 1975 Budget Act for such officers, during the 1976–77 fiscal year, pursuant to Section 11569 of the Government Code ..... which amount is to be made available by executive order of the Department of Finance in augmentation of their respective appropriations for support or for other purposes.	16,107,649
	Provided, that increases in compensation provided by this item for increased salary ranges for positions established for the 1976–77 fiscal year shall not result in total annual salary increases of more than $16,107,649; provided further, that no funds appropriated by this item shall be used to increase the salary range or rate of any civil service classification so as to exceed the prevailing rates, effective July 1, 1976, as projected by the State Personnel Board pursuant to its spring 1976 salary survey, for comparable service in other public employment and in private business.	
	Before any increased salary range or rate established for any position for the 1976–77 fiscal year shall become effective, a certification shall be obtained from the Director of Finance that sufficient money is available in funds authorized for the agencies or may be made available from the appropriations in this item, to meet the cost of such increases.	
98	—For Salary Increase Fund, for state officers and employees whose compensation including staff benefits, or portion thereof, is payable from nongovernmental cost funds, there is hereby appropriated from each nongovernmental cost fund from which such officers and employees are paid:	
	(a) An amount sufficient to provide the increase in compensation provided for in any increased salary range or rate including staff benefits established on or after July 1, 1976, by the State Personnel Board, the Department of Finance, or the Judicial Council of California as the case may be.	

Item		Amount
	(b) With respect to state officers whose salaries are specified by statute, an amount sufficient to augment by 9.7 percent the amount of salaries authorized by the 1975 Budget Act for such officers, during the 1976–77 fiscal year, pursuant to Section 11569 of the Government Code ..... which amount is to be made available by executive order of the Department of Finance in augmentation of their respective appropriations for support or for other purposes.	(40,358,000)
	Provided, that increases in compensation provided by this item for increased salary ranges for positions established for the 1976–77 fiscal year shall not result in total annual salary increases of more than $40,358,000; provided further, that no funds appropriated by this item shall be used to increase the salary range or rate of any civil service classification so as to exceed the prevailing rates, effective July 1, 1976, as projected by the State Personnel Board pursuant to its spring 1976 salary survey, for comparable service in other public employment and in private business.	
	Before any increased salary range or rate established for any position for the 1976–77 fiscal year shall become effective, a certification shall be obtained from the Director of Finance that sufficient money is available in funds authorized for the agencies or may be made available from the appropriations in this item, to meet the cost of such increases.	
100	—For allocation by executive order of the Department of Finance to the several courts, state agencies, and counties, in augmentation of their respective appropriations for support or for other purposes, in such amounts as will defray the state's share of the cost of the increases in compensation for judges, justices, and related classes, as provided in Section 68203 of the Government Code	1,742,058
101	—For allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund, in such amounts as will make sufficient money available to fund, during the 1976–77 fiscal year, increases in premiums for employee health care	17,000,000

Item		Amount
102—For allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions and other state agencies, whose employees are paid, in whole or in part, from special funds, there is hereby appropriated from each special fund from which such employees are paid an amount sufficient to fund, during the 1976–77 fiscal year, increases in premiums for employee health care ..		2,700,000
103—For allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, whose employees are paid, in whole or in part, from nongovernmental cost funds, there is hereby appropriated from each nongovernmental cost fund from which such employees are paid an amount sufficient to fund, during the 1976–77 fiscal year, increases in premiums for employee health care		(3,800,000)
104—For Emergency Fund, to be expended only on written authorization of the Department of Finance for emergencies.....		1,500,000
		(1,500,000)

and in addition, $1,500,000 is appropriated for loans that may be made from the Emergency Fund to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon such terms and conditions for repayment as may be prescribed by the Department of Finance and any sum so loaned shall, if ordered by the Department of Finance, be transferred by the State Controller to the fund from which the support of the agency is derived. Emergencies within the meaning of this provision are hereby defined as contingencies for which no appropriation, or insufficient appropriation, has been made by law and which in the judgment of the Director of Finance constitute cases of actual necessity, but these shall be limited to purposes which have been specifically approved by the Legislature in budget acts or other legislation, except that not more than $200,000 of this item may be expended for emergencies for which no such prior authorization exists.

Item		Amount
	Provided, that the Director of Finance shall file with the Joint Legislative Budget Committee within 10 days after approval, copies of all executive orders and allotment promises for allocations from the Emergency Fund stating the reasons for, and the amount of, all such executive orders and allotment promises for allocations.	
	Provided further, that any augmentation from this item to any program in excess of 10 percent of the amount authorized for expenditure in the 1976–77 fiscal year for such program shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairman of the Joint Legislative Budget Committee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.	
105	—For allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund, in such amounts as will make sufficient money available to fund during the 1976–77 fiscal year, price increases in excess of budgeted projections..... provided, that no part of this money shall be used for increases in personnel, personal service contracts, to upgrade a program now in existence, or to start any program not now provided for in this budget.	11,870,000
	Provided further, that the Department of Finance shall make no allocation pursuant to this item sooner than 30 days after notification in writing of the necessity therefor has been given to the chairman of the committee of each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or sooner than such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine.	

Item	Amount
106—For increases in prices in excess of budgeted projections payable from special funds, there is hereby appropriated from each such special fund from which such price increases are paid such amounts as the Department of Finance shall determine, as will make sufficient money available to fund such increased costs during the 1976–77 fiscal year..... which amount is to be made available by executive order of the Department of Finance in augmentation of appropriations from special funds for support or for other purposes.	4,070,000
Provided, that no part of this money shall be used for increases in personnel, personal service contracts, to upgrade a program now in existence, or to start any program not now provided for in this budget.	
Provided further, that the Department of Finance shall not authorize expenditures pursuant to this item sooner than 30 days after notification in writing of the necessity therefor has been given to the chairman of the committee of each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or sooner than such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine.	
107—For increases in prices in excess of budgeted projections payable from nongovernment cost funds, there is hereby appropriated from each such fund from which such price increases are paid such amounts as the Department of Finance shall determine, as will make sufficient money available to fund such increased costs during the 1976–77 fiscal year..... which amount is to be made available by executive order of the Department of Finance in augmentation of appropriations from nongovernmental cost funds for support or for other purposes.	(3,500,000)
Provided, that no part of this money shall be used for increases in personnel, personal service contracts, to upgrade a program now in existence, or to start any program not now provided for in this budget.	

Item Amount

Provided further, that the Department of Finance shall not authorize expenditures pursuant to this item sooner than 30 days after notification in writing of the necessity therefor has been given to the chairman of the committee of each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or sooner than such shorter time as the Chairman of the Joint Legislative Budget Committee, or his designee, may in each instance determine.

AGRICULTURE AND SERVICES

108—For support of Department of Food and Agriculture		18,370,542
Schedule:		
(a) Personal services	24,894,221	
(b) Operating expenses and equipment	11,784,243	
(c) Reimbursements	−2,158,400	
(d) Federal funds	−923,112	
(e) Amount payable from the Department of Agriculture Fund (Item 109)	−13,888,497	
(f) Amount payable from the Fair and Exposition Fund (Item 110)	−403,405	
(g) Amount payable from Section 224(1) of the Food and Agricultural Code	−264,508	
(h) Amount payable from Chapter 1000, Statutes of 1975	−670,000	

provided, that $92,870 included for Mediterranean fruit fly eradication shall be reimbursed by any unencumbered funds remaining on June 30, 1977, from those funds provided by subdivision (2) of Section 224 of the Food and Agricultural Code; provided, further, that no indemnity payment for brucellosis-reacting cattle, payable from funds appropriated by this item, shall exceed $50; provided, further, that funds appropriated for a chemistry laboratory by subitem (a) of Item 374 of the Budget Act of 1974 may be used for construction at such other site as is deemed appropriate by the department.

Item			Amount
109—For support of Department of Food and Agriculture, payable from the Department of Agriculture Fund			13,888,497
110—For support of Department of Food and Agriculture, payable from the Fair and Exposition Fund			403,405
111—For salaries of county agricultural commissioners or compensation for services performed for county agricultural departments, Department of Food and Agriculture, to be expended in accordance with the provisions of Section 2224 of the Agricultural Code			174,900
112—The sum of $132,355 of the money appropriated by Section 19630 of the Business and Professions Code, for district agricultural fairs or citrus fairs and expositions, is hereby reappropriated from the Fair and Exposition Fund during the 1976–77 fiscal year for engineering services, Department of Food and Agriculture			132,355
113—For support of Museum of Science and Industry Schedule:			1,884,392
	(a) Personal services	1,791,890	
	(b) Operating expenses and equipment	422,830	
	(c) Minor capital outlay	96,100	
	(d) Reimbursements	−426,428	
114—For support of Board of Behavioral Science Examiners of the State of California, payable from the Behavioral Science Examiners Fund			219,790
115—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners' Fund			203,448
116—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund			1,053,970
117—For support of State Board of Guide Dogs for the Blind			13,140
118—For support of Board of Medical Quality Assurance of the State of California, payable from the Contingent Fund of the Board of Medical Quality Assurance			5,622,299
119—For support of Board of Medical Quality Assurance of the State of California, payable from the Acupuncturists Fund			65,000
120—For support of Board of Medical Quality Assurance of the State of California, payable from the Hearing Aid Dispensers Fund			97,303

Item		Amount
121	For support of Board of Medical Quality Assurance of the State of California, payable from the Physical Therapy Fund	125,568
122	For support of Board of Medical Quality Assurance of the State of California, payable from the Physicians Assistant Fund	115,000
123	For support of Board of Medical Quality Assurance of the State of California, payable from the Speech Pathology and Audiology Examining Committee Fund	120,782
124	For support of State Board of Examiners of Nursing Home Administrators, payable from the Nursing Home Administrator's State License Examining Board Fund	195,252
125	For support of State Board of Optometry, payable from the State Optometry Fund	318,136
126	For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund	962,825
127	For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund	1,690,635
128	For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners' Contingent Fund	269,805
129	For support of Board of Examiners in Veterinary Medicine, payable from the Animal Health Technician Examining Committee Fund	34,832
130	For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund	982,937
131	For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund from those moneys deposited under the provisions of Section 4547 of the Business and Professions Code	191,094
132	For support of State Board of Accountancy, payable from the Accountancy Fund	890,378
133	For support of Cemetery Board, payable from the Cemetery Fund	150,145
134	For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Collection Agency Fund	328,980

Item		Amount
135—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator and Adjuster Fund		600,275
136—For support of Tax Preparers Program, Department of Consumer Affairs, payable from the Tax Preparers Fund		241,780
137—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund		346,252
138—For support of Contractors' State License Board, payable from the Contractors' License Fund		6,196,928
Schedule:		
(a) Personal services	3,938,330	
(b) Operating expenses and equipment	2,258,598	
139—For support of State Board of Registration for Geologists and Geophysicists, payable from the Geology and Geophysics Fund		107,744
140—For support of California State Board of Landscape Architects, payable from the State Board of Landscape Architects Fund		68,229
141—For support of State Board of Registration for Professional Engineers, payable from the Professional Engineers' Fund		1,216,482
Schedule:		
(a) Personal services	708,308	
(b) Operating expenses and equipment	508,174	
142—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund		1,157,313
Schedule:		
(a) Personal services	298,188	
(b) Operating expenses and equipment	859,125	
143—For support of State Athletic Commission		353,135
144—For support of the Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Automotive Repair Fund		2,696,165
Schedule:		
(a) Personal services	7,270,701	
(b) Operating expenses and equipment	4,420,264	
(c) Reimbursements	−8,994,800	

Item		Amount
145—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund		555,866
146—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund		1,508,437
Schedule:		
(a) Personal services	408,313	
(b) Operating expenses and equipment	1,100,124	
147—For support of Bureau of Employment Agencies, Department of Consumer Affairs, payable from the Bureau of Employment Agencies Fund		577,430
148—For support of State Board of Fabric Care, payable from the Fabric Care Fund		563,177
149—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund		250,919
150—For support of Bureau of Home Furnishings, Department of Consumer Affairs, payable from the Bureau of Home Furnishings Fund		777,743
151—For support of Nurses' Registry, payable from the Nurses' Registry Fund		22,214
152—For support of Bureau of Repair Services, Department of Consumer Affairs, payable from the Repair Services Fund		636,988
153—For support of Certified Shorthand Reporters Board, payable from the Shorthand Reporters' Fund		78,635
154—For support of Division of Consumer Services, Department of Consumer Affairs, to be transferred to and in augmentation of Item 155		800,000
155—For support of the Department of Consumer Affairs, payable from the Consumer Affairs Fund		(7,849,521)
(a) Division of Administration	1,963,882	
(b) Division of Investigation	4,714,957	
(c) Division of Consumer Services	1,003,771	
(d) Building maintenance and operation	966,911	
(e) Amount payable from the General Fund (Item 154)	−800,000	
provided, that only money appropriated from the General Fund by Item 154 may be used for the payment of salaries, wages, and employee benefits for those personnel identified in the Supplemen-		

Item		Amount
tary Report of the Committee on Conference on the Budget Act of 1976 (which is hereby incorporated and made a part of this act); and no funds appropriated by this item may be expended for the payment of salaries, wages, and employee benefits for such personnel.		
156—For support of State Fire Marshal		2,397,423
Schedule:		
(a) Personal services	2,483,007	
(b) Operating expenses and equipment	719,404	
(c) Reimbursements	−804,988	
157—For support of Franchise Tax Board		49,251,905
Schedule:		
(a) Personal services	32,492,068	
(b) Operating expenses and equipment	17,759,837	
(c) Reimbursements	−1,000,000	
provided, that funds appropriated by this item shall not be used for any activities, functions, and responsibilities pursuant to the provisions of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).		
157.1—For support of Franchise Tax Board activities, functions, and responsibilities pursuant to the provisions of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code)		2,304,829
Schedule:		
(a) Personal services	1,931,500	
(b) Operating expenses and equipment	373,329	
158—For reimbursement of mandates related to Franchise Tax Board programs in accordance with Section 2231(a), Revenue and Taxation Code of any new program or increased level of service of an existing program mandated by legislative action, State Controller		45,200
provided that, allocations to the appropriate local jurisdictions shall be made by the Controller in accordance with the provisions of each bill which mandates additional cost and Section 2231(c), Revenue and Taxation Code.		
159—For support of Department of General Services for transfer to the Service Revolving Fund, to be transferred by the State Controller in such amounts as the Department of Finance may au-		

Item		Amount
	thorize; provided, that the money so transferred shall not be available for expenditure after June 30, 1977, and any unencumbered balances shall be returned to the General Fund as of June 30, 1977.	4,827,714
159.1	—For transfer to the Service Revolving Fund as a loan, to be transferred by the State Controller in such amounts and upon such terms and conditions as may be prescribed by the Department of Finance, to be used for the purchase or lease-purchase of copier machines by the Department of General Services	3,000,000
159.2	—For support of the Office of State Architect, programming unit, Department of General Services provided, that support for this unit is for the 1976–77 fiscal year only.	212,904
160	—For support of Office of State Architect, Department of General Services, payable from the Architecture Public Building Fund	2,217,790
161	—For expenditure by Office of State Architect, Department of General Services, for the purposes specified in Section 14957 of the Government Code, the sum of $8,582,662 is appropriated from the Architecture Revolving Fund provided, that any balances in the Architecture Revolving Fund continue to be appropriated by and subject to Section 14957 of the Government Code, and are available for construction and for augmentation of this appropriation; provided further, that during fiscal year 1976–77 Office of State Architect, Department of General Services, shall maintain expenditures for staff to a level commensurate with the funds necessary to maintain a staff sufficient to perform a basic architectural and engineering services workload volume of $37,036,160 as projected to June 30, 1977.	(8,582,662)
162	—For augmentation of the Service Revolving Fund, to be transferred by the State Controller in such amounts and at such times as funds are made available. Upon approval of the State Board of Control, the State Controller shall transfer to this item from any appropriation made from the General Fund, or any special fund, by the provisions of this act that part of such appropriation which is intended to be used and is available, for the purchase or replacement of automobiles and reproduction equipment; and provided, any funds in the Service Revolving Fund may be used to purchase equipment from the General Fund or spe-	

Item		Amount
	cial funds of the state at the depreciated value at the time of purchase, payable at the option of the Service Revolving Fund over the remaining depreciation period.	
163	For support of Department of General Services for activities financed from the Service Revolving Fund, other than the Office of State Printing, the sum of $121,272,554 is appropriated from the Service Revolving Fund	(121,272,554)
	Schedule:	
	(a) Personal services	56,355,370
	(b) Operating expenses and equipment	84,854,755
	(c) Minor capital outlay	152,145
	(d) Reimbursements	−139,376
	(e) Amount payable from the General Fund (Item 159)	−4,827,714
	(f) Amount payable from the General Fund, Chapter 906, Statutes of 1975	−10,000
	(g) Amount payable from the Architecture Public Building Fund (Item 160)	−2,217,790
	(h) Amount payable from the Architecture Revolving Fund (Item 161)	−8,582,662
	(i) Amount payable from the State School Building Aid Fund (Item 165)	−1,014,828
	(j) Amount payable from the Deferred Compensation Plan Fund (Item 166)	−84,442
	(k) Amount payable from General Fund (Item 159.1)	−3,000,000
	(*l*) Amount payable from General Fund (Item 159.2)	−212,904
164	For expenditure by Office of State Printing, Department of General Services, the sum of $28,443,074 is appropriated from the Service Revolving Fund	(28,443,074)
	Schedule:	
	(a) Personal services	12,718,392
	(b) Operating expenses and equipment	15,724,682
165	For support of Department of General Services, the sum of $1,014,828 is appropriated from the State School Building Aid Fund	(1,014,828)
166	For support of Department of General Services	

Item		Amount
	the sum of $84,442 is appropriated from the Deferred Compensation Plan Fund portfolio earnings or account for administrative service fees....	(84,442)
166.1—For support of California Public Broadcasting Commission, to be transferred by the State Controller to the California Public Broadcasting Fund		347,339
166.3—For expenditure by the Department of General Services, for the purposes of indexing the California Administrative Code ..... provided, that the funds appropriated by this item shall be available for encumbrance during the 1976–77, 1977–78, and 1978–79 fiscal years.		90,000
167—For support of State Board of Control		307,789
168—For support of Department of Industrial Relations Schedule:		40,853,866
	(a) Personal services 38,090,786	
	(b) Operating expenses and equipment 11,337,951	
	(c) Reimbursements ..... −504,941	
	(d) Federal funds ..... −8,069,930	
169—For reimbursement of mandates related to Department of Industrial Relations programs in accordance with Section 2231(a), Revenue and Taxation Code of any new program or increased level of service of an existing program mandated by legislative action, State Controller ..... provided that, allocations to the appropriate local jurisdictions shall be made by the Controller in accordance with the provisions of each bill which mandates additional cost and Section 2231(c), Revenue and Taxation Code.		14,700,937
170—For payment of the additional compensation for subsequent injury provided for by Sections 4750 through 4755 of the Labor Code, Department of Industrial Relations ..... provided, that this item shall not be construed as a limitation on expenditures provided by Section 4706.5 of the Labor Code. Provided further that the amount available from this item shall not be available for expenditure at any time that funds appropriated by Section 4706.5 of the Labor Code are available for expenditure. Provided further, that at the end of fiscal year 1976–77, any expenditures made from the General Fund against this appropriation item shall be reduced by any amounts remaining available from the funds appropriated by Section 4706.5 of the Labor Code. Provided further that notwithstanding any		1,500,000

Item			Amount
	other provisions of law the funds made available by Section 4706.5 of the Labor Code will be available without regard to fiscal year.		
171—For furnishing of workers' compensation to disaster service workers and their dependents, in accordance with the provisions of Sections 3201 through 6002 of the Labor Code, including the reimbursing of the State Compensation Insurance Fund for the cost of services as adjusting agent, Governor's office, Office of Emergency Services. The State Compensation Insurance Fund may draw from the State Treasury out of the appropriation made by this item, without at the time presenting vouchers and itemized statements, any portion of the appropriation contained in this item, to be used as a cash revolving fund. Expenditures made from the revolving fund in payment of claims for workers' compensation and adjusting services are excepted from the operation of Section 925.6 of the Government Code. Reimbursement of the revolving fund for such expenditures shall be made upon presentation to the State Controller of an abstract or statement of such expenditures. Such abstract or statement shall be in such form as the State Controller requires			125,000
172—For support of State Personnel Board			16,034,882
	Schedule:		
	(a) Personal services	9,158,746	
	(b) Operating expenses and equipment	9,962,312	
	(c) Consolidated data center	135,200	
	(d) Reimbursements	−2,030,998	
	(e) Amount payable from the Cooperative Personnel Services Revolving Fund (Item 173)	−1,190,378	
	provided, that the funds appropriated in subitem (c) may be allocated by the State Personnel Board to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
173—For support of State Personnel Board, the sum of $1,190,378 is appropriated from the State Personnel Board Cooperative Personnel Services Revolving Fund			(1,190,378)
174—For support of Board of Administration of the			

Item		Amount
Public Employees' Retirement System, to be transferred by the State Controller to Item 175, Budget Act of 1976		351,202
175—For support of Board of Administration of the Public Employees' Retirement System, the sum of $9,897,283 is appropriated from the Public Employees' Retirement Fund, pursuant to Section 20202.5 of the Government Code		(9,897,283)
Schedule:		
(a) Personal services	7,644,197	
(b) Operating expenses and equipment	3,337,936	
(c) Consolidated data center	949,770	
(d) Reimbursements	−666,431	
(e) Amount payable from the General Fund (Item 174)	−351,202	
(f) Amount payable from the State Employees' Contingency Reserve Fund (Item 176)	−976,987	
(g) Amount payable from the Legislators' Retirement Fund (Item 177)	−40,000	
provided, that the funds appropriated in subitem (c) may be allocated by the board to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
176—For support of Board of Administration of the Public Employees' Retirement System, the sum of $976,987 is appropriated from the State Employees' Contingency Reserve Fund, in accordance with the provisions of Section 22840 of the Government Code		(976,987)
177—For support of the Board of Administration of the Public Employees' Retirement System, the sum of $40,000 is appropriated from the Legislators' Retirement Fund in accordance with Section 9354 of the Government Code		(40,000)
178—For reimbursement of mandates related to Public Employees' Retirement System programs in accordance with Section 2231 (a), Revenue and Taxation Code of any new program or increased level of service of an existing program mandated by legislative action, State Controller		14,000
provided that, allocations to the appropriate local jurisdictions shall be made by the Controller in		

Item		Amount
	accordance with the provisions of each bill which mandates additional cost and Section 2231(c), Revenue and Taxation Code.	
179—For support of State Teachers' Retirement System, the sum of $6,092,121 is appropriated from the State Teachers' Retirement Fund		(6,092,121)
Schedule:		
(a) Personal services	4,101,815	
(b) Operating expenses and equipment	1,942,401	
(c) Consolidated data center	277,905	
(d) Reimbursements	−230,000	
provided, that the funds appropriated in subitem (c) may be allocated by the system to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217 Budget Act of 1976.		
180—For support of Department of Veterans Affairs		1,223,364
Schedule:		
(a) Personal services	1,318,688	
(b) Operating expenses and equipment	259,712	
(c) Reimbursements	−200	
(d) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 182)	−354,836	
181—For educational assistance to veterans' dependents, Department of Veterans Affairs, to be expended under the provisions of Sections 890 through 899 of the Military and Veterans Code		2,000,000
182—For support of Department of Veterans Affairs, the sum of $354,836 is appropriated from the Veterans' Farm and Home Building Fund of 1943		(354,836)
183—For support of Veterans' Home of California		7,511,080
Schedule:		
(a) Personal services	10,509,440	
(b) Operating expenses and equipment	2,949,017	
(c) Minor capital outlay	91,000	
(d) Reimbursements	−2,266,862	
(e) Federal funds	−3,771,515	

Item		Amount
provided, that the Veterans' Home of California shall collect from home members, after due consideration of income and family status, fees and charges for domiciliary, nursing home, and hospital care.		
184—For contribution to counties toward the compensation and expenses of county service officers, Department of Veterans Affairs, to be expended in accordance with Section 972 of the Military and Veterans Code		1,000,000

BUSINESS AND TRANSPORTATION

BUSINESS

185—For support of Alcoholic Beverage Control Appeals Board		187,241
Schedule:		
(a) Personal services	155,375	
(b) Operating expenses and equipment	31,866	
186—For support of State Banking Department, payable from the State Banking Fund		3,562,816
Schedule:		
(a) Personal services	2,908,718	
(b) Operating expenses and equipment	732,423	
(c) Reimbursements	−78,325	
188—For support of Department of Corporations		5,680,258
Schedule:		
(a) Personal services	6,409,484	
(b) Operating expenses and equipment	1,702,712	
(c) Consolidated data center	15,000	
(d) Reimbursements	−2,446,938	
provided, that the funds appropriated in subitem (c) may be allocated by the Department of Corporations to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
Provided further, that, notwithstanding the provisions of Chapter 941, Statutes of 1975, any reimbursements collected pursuant to that act shall be credited to this item.		
189—For reimbursement of mandates related to De-		

Item		Amount
partment of Corporations programs in accordance with Section 2231 (a), Revenue and Taxation Code of any new program or increased level of service of an existing program mandated by legislative action, State Controller		11,300
provided, allocations to the appropriate local jurisdictions shall be made by the Controller in accordance with the provisions of each bill which mandates additional cost and Section 2231 (c), Revenue and Taxation Code.		
190—For support of Department of Housing and Community Development		4,518,185
Schedule:		
(a) Personal services	4,194,659	
(b) Operating expenses and equipment	1,863,163	
provided, that $60,000 of the funds appropriated by this subitem shall be allocated by the Department of Finance to the Department of Housing and Community Development for a loan to the City of Calexico for technical assistance in the development of an industrial park in that city, and any such loan shall be repaid upon such terms and conditions as may be prescribed by the Department of Finance.		
(c) Consolidated data center.....	8,400	
(d) Rural housing loan assistance.....	125,000	
provided, that the funds appropriated by this subitem shall not be allocated unless and until the Director of Finance makes a determination that the Federal Farmers Home Administration Agency has staffed its rural housing loan program to its authorized level for California and that funds for rural housing loans are available.		
(e) Reimbursements	−244,000	
(f) Amount payable from the Mobilehome Revolving Fund	−1,429,037	
provided, that the funds appropriated in subitem (c) may be allocated by the Department of Housing and Community Development to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
191—For support of Department of Insurance		6,264,992

Item		Amount
Schedule:		
(a) Personal services	6,745,916	
(b) Operating expenses and equipment	2,197,421	
(c) Reimbursements	−2,678,345	
192—To pay the state's share of the cost of providing riot and civil disorders insurance pursuant to Division 4, (commencing with Section 13000), of the Insurance Code		200,000
provided that any refunds of past years' premium payments received during the 1976–77 fiscal year shall be credited to this item and deposited in the General Fund.		
193—For support of Department of Real Estate, payable from the Real Estate Fund		6,033,251
Schedule:		
(a) Personal services	4,358,058	
(b) Operating expenses and equipment	1,792,305	
(c) Consolidated data center	77,888	
(d) Reimbursements	−195,000	
provided, that the funds appropriated in subitem (c) may be allocated by the Department of Real Estate to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
194—For educational, research and recovery needs of the real estate industry in California, payable from the Real Estate Education, Research and Recovery Fund		728,000
Schedule:		
(a) Education research	512,000	
(b) Recovery Act	216,000	
to be allocated by the Department of Finance in amounts as it finds necessary to the Department of Real Estate to carry out the provisions of Section 10451.5 of the Business and Professions Code.		
195—For support of Department of Savings and Loan, payable from the Savings and Loan Inspection Fund		4,958,083
Schedule:		
(a) Personal services	3,798,484	
(b) Operating expenses and equipment	1,162,599	
(c) Consolidated data center	22,000	
(d) Reimbursements	−25,000	

Item			Amount
	provided, that the funds appropriated in subitem (c) may be allocated by the Department of Savings and Loan to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
	TRANSPORTATION		
196—For support of State Transportation Board and State Transportation Board office, payable from the Transportation Planning and Research Account, State Transportation Fund			359,334
	Schedule:		
	(a) Personal services	170,788	
	(b) Operating expenses and equipment	188,546	
197—For support of Department of Transportation, payable from the Aeronautics Account, State Transportation Fund			706,623
198—For transfer by the State Controller from the Aeronautics Account, State Transportation Fund, to the Transportation Planning and Research Account, State Transportation Fund, for appropriation as specified in this act for expenditures by the Department of Transportation for transportation planning and research as authorized by Section 13996 of the Government Code			(20,000)
199—For support of Department of Transportation, payable from the Transportation Planning and Research Account, State Transportation Fund, provided, that $211,330 of the $8,221,079 appropriated by this item shall be used to fund the California Transportation Plan Agency Task Force .. and in addition, any amounts received from federal grants or local reimbursements shall be available for expenditure in accordance with the provisions of this item subject to the provisions of Section 28 of this act.			8,221,079
200—For support of Department of Transportation payable from the State Highway Account, State Transportation Fund			0
	Schedule:		
	(a) Transportation planning	12,600,000	
	(b) Aeronautics	4,351,161	
	(c) Mass transportation	1,829,070	

Item		Amount
	(d) Highway transportation	119,135,000
	(e) General support	327,100
	(f) Reimbursements, as authorized by Section 7204.4 of the Revenue and Taxation Code	−157,343
	(g) Federal funds	−288,200
	(h) Amount payable from the Transportation Planning and Research Account, State Transportation Fund (Item 199, $8,221,079; Item 202, $4,072,848)	−12,293,927
	(i) Amount payable from the Aeronautics Account, State Transportation Fund (Item 197, $706,623; Item 204, $461,238)	−1,167,861
	(j) Amount payable from the Aeronautics Account, State Transportation Fund (continuing appropriation per Section 21680 of the Public Utilities Code)	−3,200,000
	(k) Amount payable from federal funds deposited in the State Highway Account, State Transportation Fund (Item 205, $103,660,000; Item 376, $14,000,000)	−117,660,000
	(*l*) Amount payable from federal funds deposited in the Transportation Planning and Research Account, State Transportation Fund (Item 203, $3,400,000)	−3,400,000
	(m) Amount payable from California Environmental Protection Program Fund (Item 375, $75,000)	−75,000
201—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Transportation Planning and Research Account, State Transportation Fund, for appropriation as specified in this act for expenditures by the Department of Transportation for transportation planning and research as authorized by Section 13996 of the Government Code		(8,700,000)
Schedule:		
	(a) State funds	5,300,000
	(b) Federal funds	3,400,000
202—For local assistance, Department of Transportation, payable from the Transportation Planning and Research Account, State Transportation Fund		4,072,848

Item		Amount
	Schedule:	
	(a) Transportation planning and research 3,731,000	
	(b) Mass transportation..... 341,848	
	and in addition, any amounts received from federal grants or local reimbursements shall be available for expenditure in accordance with the provisions of this item subject to the provisions of Section 28 of this act.	
203	—For local assistance, Department of Transportation, payable from federal funds deposited in the Transportation Planning and Research Account, State Transportation Fund, for transportation planning and research purposes specified in the provisions of Chapter 1470, Statutes of 1974	(3,400,000)
204	—For local assistance, Department of Transportation, payable from the Aeronautics Account, State Transportation Fund	461,238
205	—For local assistance, Department of Transportation, payable from federal funds deposited in the State Highway Account in the State Transportation Fund, for the purposes specified in the provisions of Chapter 1470, Statutes of 1974	(103,660,000)
	Schedule:	
	Highway Safety Improvements:	
	(a) Local roads and highways..... 10,000,000	
	(b) Grade crossing protection works 4,000,000	
	Federal Urban System:	
	(c) Local roads and highways..... 89,660,000	
	provided, that the funds appropriated in this schedule may be transferred upon order of the Department of Finance to Item 376, Budget Act of 1976 for capital outlay, Department of Transportation.	
206	—For reimbursement of mandates related to Department of Transportation programs in accordance with Section 2231(a), Revenue and Taxation Code of any new program or increased level of service of an existing program mandated by legislative action, payable from the State Highway Account, State Transportation Fund, State Controller	15,000
	provided that, allocations to the appropriate local jurisdictions shall be made by the Controller in accordance with the provisions of each bill which mandates additional cost and Section 2231(c), Revenue and Taxation Code.	

Item		Amount
207—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		190,765,121
Schedule:		
(a) Personal services	151,366,588	
(b) Operating expenses and equipment	43,869,244	
(c) Consolidated data center	505,000	
(d) Minor capital outlay	231,500	
(e) Reimbursements	−2,138,842	
(f) Federal funds	−14,000	
(g) Amount payable from Abandoned Vehicle Trust Fund	−3,054,369	
provided, that the funds appropriated in subitem (c) may be allocated by the Department of the California Highway Patrol to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976; and provided, further, that $400,000 of the funds appropriated in subitem (b) shall be used for the purchase of bulletproof vests if A.B. 2954 of the 1975–76 Regular Session is enacted, and any unexpended balance of such $400,000 may not be used for any other purpose and shall revert to the Motor Vehicle Account in the State Transportation Fund.		
208—For payments of deficiencies in appropriations for the Department of the California Highway Patrol which may be authorized by the Director of Finance, with the consent of the Governor, pursuant to Section 11006 of the Government Code, the sum of $1,000,000, or so much thereof as may be necessary, is appropriated from the Motor Vehicle Account, State Transportation Fund		(1,000,000)
209—To the Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed $2,500,000 during the 1976–77 fiscal year, for delivery beginning in the 1977–78 fiscal year, the sum of $2,500,000 is hereby appropriated from the Motor Vehicle Account, State Transportation Fund		(2,500,000)
210—For support of Department of Motor Vehicles		115,517

Item		Amount
	to be transferred to the Motor Vehicle Account, State Transportation Fund, in augmentation of Item 211 of this act for anatomical donor designation and petit jury panel selection.	
211	For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund	106,522,801
	Schedule:	
	(a) Personal services	97,741,004
	(b) Operating expenses and equipment	34,003,689
	(c) Minor capital outlay	109,450
	(d) Reimbursements	−7,129,176
	(e) Federal funds	−306,381
	(f) Amount payable from General Fund (Item 210)	−115,517
	(g) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 213)	−15,783,223
	(h) Amount payable from the California Environmental Protection Program Fund (Item 214)	−880,745
	(i) Amount payable from the State Bicycle License and Registration Fund (Item 215)	−78,437
	(j) Amount payable from the Harbors and Watercraft Revolving Fund (Item 216)	−1,037,863
	provided, that any surplus accumulated from the service and transfer fee portion of the program established pursuant to Chapter 1816 of the Statutes of 1971 shall be continuously appropriated to the Off-Highway Vehicle Fund.	
212	For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, pursuant to Section 11006 of the Government Code, the sum of $500,000, or so much thereof as may be necessary, is appropriated from the Motor Vehicle Account, State Transportation Fund	(500,000)
213	For support of Department of Motor Vehicles, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund	15,783,223

Item		Amount
to be transferred to the Motor Vehicle Account, State Transportation Fund, in augmentation of Item 211 of this act, as provided by Section 11003 of the Revenue and Taxation Code.		
214—For support of Department of Motor Vehicles, payable from the California Environmental Protection Program Fund		880,745
to be transferred to the Motor Vehicle Account, State Transportation Fund, in augmentation of Item 211 of this act, as provided by Section 39071 of the Health and Safety Code.		
215—For support of Department of Motor Vehicles, payable from the State Bicycle License and Registration Fund		78,437
to be transferred to the Motor Vehicle Account, State Transportation Fund, in augmentation of Item 211 of this act, as provided by Section 39001 of the Vehicle Code.		
216—For support of Department of Motor Vehicles, the sum of $1,037,863 is appropriated from the Harbors and Watercraft Revolving Fund		(1,037,863)
to be transferred to the Motor Vehicle Account, State Transportation Fund, in augmentation of Item 211 of this act, for undocumented vessel registration and fee collection.		
217—For support of the Stephen P. Teale Consolidated Data Center, Business and Transportation Agency Schedule:		-0-
(a) Support	10,255,963	
(b) Reimbursements and transfers from other items	-10,255,963	

RESOURCES

218—For support of State Air Resources Board Schedule:		2,063,534
(a) Personal services	8,590,442	
(b) Operating expenses and equipment	20,313,815	
(c) Consolidated data center	97,500	
(d) Reimbursements	-755,000	
(e) Federal funds	-1,217,359	
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 219)	-11,161,725	
(g) Amount payable from the Automotive Repair Fund (Item 220)	-1,003,800	

Item		Amount
	(h) Amount payable from the California Environmental Protection Program Fund (Item 221)	−1,950,000
	(i) Amount payable from the Motor Vehicle Account, State Transportation Fund Loan (Item 222).....	−10,787,839
	(j) Amount payable from the Air Pollution Control Fund (Item 223) ..	−62,500
	provided further, that the funds appropriated in subitem (c) may be allocated by the State Air Resources Board to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.	
219	—For support of vehicular program, State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund	11,161,725
220	—For support of State Air Resources Board, payable from the Automotive Repair Fund.....	1,003,800
221	—For support of State Air Resources Board, payable from the Environmental Protection Program Fund	1,950,000
222	—For the purposes of Chapter 1154, Statutes of 1973, to be allocated by the Department of Finance as loans to the State Air Resources Board from the Motor Vehicle Account, State Transportation Fund, in amounts of which the total shall not exceed $10,787,839	(10,787,839)
	provided that, this authorization shall be reduced by the amount of any federal funds received by the State Air Resources Board or the Bureau of Automotive Repair, Department of Consumer Affairs, or by both such board and bureau, for the purposes of Chapter 1154, Statutes of 1973. Any loan made pursuant to this authorization shall be repaid upon such terms and conditions as may be prescribed by the Department of Finance, including interest at the rate earned by the Pooled Money Investment Fund, on or before December 31, 1980, from any revenues from inspection fees collected for repayment purposes pursuant to Chapter 1154, Statutes of 1973.	

Item		Amount
	Provided further, that inspection fees collected pursuant to Section 9889.61 of the Business and Professions Code shall be deposited in the Automotive Repair Fund and are appropriated to the Air Resources Board for the purposes of Chapter 1154, Statutes of 1973.	
	Provided further, that every attempt shall be made to utilize Department of Motor Vehicles field office facilities for inspection purposes.	
223—For support of the State Air Resources Board, payable from the Air Pollution Control Fund		62,500
224—For assistance to counties in the operation of local air pollution control districts, State Air Resources Board, in accordance with Chapter 1016, Statutes of 1972		2,800,000
	provided, that the amount appropriated by this item shall be reduced by order of the Director of Finance by the amount of any other funds that become available for the purposes of this item during the 1976–77 fiscal year, but the amount appropriated by this item shall not be reduced to less than $2,300,000.	
225—For assistance to counties in the operation of local air pollution control districts, State Air Resources Board, in accordance with Chapter 1016, Statutes of 1972, payable from the Motor Vehicle Account, State Transportation Fund		2,038,000
226—For support of Solid Waste Management Board..		905,801
	Schedule:	
	(a) Personal services 609,730	
	(b) Operating expenses and equipment 296,071	
227—For support of State Water Resources Control Board		8,263,423
	Schedule:	
	(a) Personal services 13,426,094	
	(b) Operating expenses and equipment 6,538,011	
	(c) Consolidated data center..... 77,000	
	(d) Reimbursements ..... −1,238,400	
	(e) Federal funds ..... −2,426,089	
	(f) Amount payable from the State Clean Water Grant Administration Revolving Fund (Item 228) .. −4,823,024	
	(g) Amount payable from State Clean Water Fund..... −3,290,169	
	provided, that the funds appropriated in subitem (c) may be allocated by the board to subitems (a)	

Item			Amount
and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.			
228—For support of the facility development assistance program, State Water Resources Control Board, the sum of $4,823,024 is hereby appropriated from the State Clean Water Grants Administration Revolving Fund			(4,823,024)
229—To Resources Agency for support of Tahoe Regional Planning Agency			100,000
230—To Resources Agency for support of Waterways Management Planning Program pursuant to Chapter 761, Statutes of 1971, and Chapter 1259, Statutes of 1972			293,837
230.5—To Resources Agency for grants to public and private higher education for use as a maximum of two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966, as provided in subdivision (d) of Section 6217 of the Public Resources Code			500,000
231—For subvention to California Tahoe Regional Planning Agency			220,000
Schedule:			
(a) Local assistance		120,000	
(b) Attorney General contract services		100,000	
232—To Resources Agency for support of Ecology Corps and Youth Conservation Corps			4,330,000
Schedule:			
(a) Support		4,590,000	
(b) Federal funds		−260,000	
234—For support of State Energy Resources Conservation and Development Commission, payable from the State Energy Resources Conservation and Development Special Account, General Fund			13,106,083
Schedule:			
(a) Personal services		6,542,272	
(b) Operating expenses and equipment		3,704,887	
(c) Research and development		12,750,000	
(d) Federal funds		−9,891,076	
provided, that because the importance of the commission's work and the lack of precedents, it is a condition of this appropriation that the commission shall submit a progress report to the			

Item		Amount
Legislature every two months starting July 1, 1976, in which it lists research and technical assessment contracts in excess of $10,000 awarded in the preceding two months and such contracts to be awarded in the following two months; provided, further, that upon the request of any policy or fiscal committee of the Legislature having jurisdiction over the subject of the contract, the contract shall not be awarded until 30 days after the first request received by the commission from such committee for a delay in the awarding of such contract.		
235—The sum of $282,125 is appropriated for transfer by the State Controller as of June 30, 1977, from the State Energy Resources Conservation and Development Special Account, General Fund, established by Section 25801 of the Public Resources Code, to the Reserve Account in the General Fund continued in existence by Section 10.7 of this act		(282,125)
236—For support of California-Nevada Interstate Compact Commission		11,985
236.1—For support of the Colorado River Board of California		131,210
Schedule:		
(a) Personal services	320,073	
(b) Operating expenses and equipment	73,558	
(c) Reimbursement	−262,421	
provided, that not more than $65,605 of the amount appropriated by this item shall be expended unless and until AB 3227 of the 1975–76 Regular Session of the Legislature is enacted and becomes effective and increases the membership of the Colorado River Board of California.		
237—For support of Department of Conservation		74,037,705
Schedule:		
(a) Personal services	73,805,125	
(b) Operating expenses and equipment	21,865,741	
(c) Consolidated data center	261,728	
(d) Minor capital outlay	400,000	
(e) Fire protection contract—counties	4,368,855	
(f) Fire protection contract—United States Forest Service	2,127,163	
(g) California Institute of Technology seismograph network	57,000	

Item		Amount
(h) Reimbursements	−26,552,440	
(i) Federal funds	−1,226,674	
(j) Amount payable from State Highway Account, State Transportation Fund (Item 240)	−11,400	
(k) Amount payable from California Water Fund (Item 241)	−11,400	
(*l*) Amount payable from Professional Forester Registration Fund (Item 242)	−42,415	
(m) Amount payable from Strong-Motion Instrumentation Program Fund (Item 243)	−623,578	
(n) Amount payable from Item 238 for temporary disability retirement ..	−280,000	
(o) Amount payable from Environmental Protection Program Fund (Item 237.1)	−100,000	

provided, that an amount not more than $100,000 in emergency fire suppression and detection costs and related emergency revegetation costs may be expended from the amounts appropriated by subitems (a) and (b) without approval of the Department of Finance.

Provided, that the funds appropriated in subitem (c) may be allocated by the Department of Conservation to subitems (a) and (b) above and expended therefrom for electronic data processing; provided, further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.

237.1—For support of Department of Conservation to fund a soil erosion study, payable from the California Environmental Protection Program Fund	100,000
238—For support of Department of Conservation to fund the Temporary Disability Retirement Program	280,000
239—For allocation by the Director of Finance to the Department of Conservation for emergency fire suppression	5,000,000
240—For support of Department of Conservation to fund the state share of the California Institute of Technology seismograph network, payable from the State Highway Account, State Transportation Fund	11,400

Item			Amount
241—For support of Department of Conservation to fund the state share of the California Institute of Technology seismograph network, payable from the California Water Fund			11,400
242—For support of Department of Conservation, in carrying out the functions of the Division of Forestry, payable from the Professional Forester Registration Fund			42,415
243—For support of Department of Conservation, in carrying out the functions of the Division of Mines and Geology, payable from the Strong-Motion Instrumentation Program Fund			623,578
244—For support of State Lands Division, State Lands Commission, Department of Conservation			3,983,712
Schedule:			
(a) Personal services	4,382,782		
(b) Operating expenses and equipment	1,159,856		
(c) Consolidated data center	44,000		
(d) Reimbursements	−26,000		
(e) Amounts payable under the provisions of Chapter 138, Statutes of 1964	−1,576,926		
provided, that the funds appropriated in subitem (c) may be allocated by State Lands Division to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitem (c) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.			
245—For support of Seismic Safety Commission			143,037
246—For transfer to the Fish and Game Preservation Fund, solely for the support of existing programs devoted to nongame species management and protection and environmental protection			1,500,000
248—For programs relating solely to environmental protection and management of nongame species, Department of Fish and Game, payable from the California Environmental Protection Program Fund			1,000,000
249—For support of Department of Fish and Game, and for the maintenance and construction of fish screens and other stream improvements, and for the purchase of land for game production, improvement of waterfowl areas and research in game management under provisions of the Pittman-Robertson Act, fish restoration and manage-			

Item		Amount
ment projects under the provisions of the Dingell-Johnson Act, commercial fisheries research and development projects under the provisions of the Commercial Fisheries Research and Development Act (Bartlett Act), and for the state's share of expenses of the Pacific Marine Fisheries Commission, Department of Fish and Game, payable from moneys in the Fish and Game Preservation Fund, including revenues subject to the provisions of Section 13005 of the Fish and Game Code, which revenues are hereby appropriated to the extent required to meet the appropriation made by this item		26,471,617
Schedule:		
(a) Personal services	19,881,389	
(b) Operating expenses and equipment	9,592,966	
(c) Consolidated data center—state operations	40,000	
(d) Minor capital outlay	67,000	
(e) Pittman-Robertson program	3,809,392	
(f) Dingell-Johnson program	1,350,900	
(g) Commercial fish research and development	286,200	
(h) Anadromous Fish Act	1,107,800	
(i) Consolidated data center—federal programs	18,000	
(j) Pacific Marine Fisheries Commission	21,600	
(k) Reimbursements	−2,117,436	
(*l*) Federal funds	−6,056,194	
(m) Amount payable under the provisions of Chapter 416, Statutes of 1974	−20,000	
(n) Amount payable from the General Fund (Item 246)	−1,500,000	
(o) Amount payable under the provisions of Item 250, Budget Act of 1976	−10,000	

provided, that any moneys received in reimbursement of expenditures from subitems (e), (f), (g), and (h) shall be credited to this appropriation.

Provided further, that the funds appropriated in subitem (c) may be allocated by the Department of Fish and Game to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the funds appropriated in subitem (i) may be allocated by

Item		Amount
	the Department of Fish and Game to subitems (f), (g), and (h) above and expended therefrom for electronic data processing; provided further, that the Director of Finance may transfer the unencumbered balance of subitems (c) and (i) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.	
250	—For investigation into the decline of the market crab in state waters, Department of Fish and Game, payable from the Fish and Game Preservation Fund in augmentation of Item 249	10,000
251	—For research in the development of commercial fisheries of the Pacific Ocean and of marine products, Marine Research Committee, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 8046 of the Fish and Game Code	169,935
252	—For projects for the purpose of protecting and propagating migratory waterfowl and for the preservation of wetlands, Department of Fish and Game, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 3700 of the Fish and Game Code	238,600
253	—For the education or training of department employees, Department of Fish and Game, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 12018 of the Fish and Game Code	233,600
254	—For programs related to native species conservation and enhancement as prescribed in the Native Species Conservation and Enhancement Act, Department of Fish and Game, payable from the Native Species Conservation and Enhancement Account in the Fish and Game Preservation Fund	17,500
255	—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund	215,000
	Schedule:	
	(a) Personal services 159,500	
	(b) Operating expenses and equipment 55,500	
	provided, that any money in the Wildlife Restoration Fund in excess of the appropriation made by this item shall continue to be available pursuant to Section 1352 of the Fish and Game Code.	
256	—For support of Department of Navigation and Ocean Development to be transferred to and in augmentation of Item 257 of this act	195,805
257	—For support of Department of Navigation and	

Item		Amount
	Ocean Development, the sum of $1,833,336 is appropriated from the Harbors and Watercraft Revolving Fund ..... and in addition thereto, any amounts received from federal grants or other sources.	(1,833,336)
	Schedule:	
	(a) Personal services	1,134,462
	(b) Operating expenses and equipment	672,879
	(c) Minor capital outlay	281,800
	(d) Feasibility determinations	20,000
	(e) Amount payable from General Fund (Item 256)	−195,805
	(f) Amount payable from Recreation and Fish and Wildlife Enhancement Fund (Item 406)	−80,000
258	—For loans to cities, counties, or districts pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code, Department of Navigation and Ocean Development, the sum of $10,450,000 is appropriated from the Harbors and Watercraft Revolving Fund	(10,450,000)
	Schedule:	
	(a) Benicia Marina—Solano County ..	500,000
	(b) Foster City Marina—San Mateo County	500,000
	provided that $400,000 of the funds appropriated by this subitem shall not be encumbered by contract unless and until permits for dredging, if such permits are required, have been granted by the Army Corps of Engineers, and all necessary permits have been granted by the San Francisco Bay Conservation and Development Commission.	
	(c) Humboldt Bay Harbor Marina—Humboldt County	1,000,000
	(d) Oyster Point Marina expansion—San Mateo County	2,000,000
	(e) Pittsburg Marina expansion—Contra Costa County	1,100,000
	(f) Oakland Embarcadero Marina—Alameda County	1,450,000
	(g) Port San Luis Harbor—San Luis Obispo County	2,000,000
	provided, that no funds appropriated by this subitem shall be encumbered by contract until federal funds for construction of the breakwater have been appropriated.	

Item		Amount
(h) Richmond Marina—Contra Costa County	500,000	
(i) Long Beach Shoreline Aquatic Park Harbor—Los Angeles County	1,300,000	
(j) Planning loans—statewide	100,000	
259—For grants for construction and development of small craft launching facilities to cities, counties, districts, or other public agencies pursuant to Section 72.5 of the Harbors and Navigation Code, Department of Navigation and Ocean Development, the sum of $1,883,000 is appropriated from the Harbors and Watercraft Revolving Fund		(1,883,000)
Schedule:		
(a) Benicia—Solano County	95,000	
(b) Dana Basin (Mission Bay)—San Diego County	40,000	
(c) De Anza Cove (Mission Bay)—San Diego County	40,000	
(d) El Dorado Beach (South Lake Tahoe)—El Dorado County	95,000	
(e) Elkhorn—Sacramento County	100,000	
(f) Lucerne (Clear Lake) Lake County	100,000	
(g) Miller Park—Sacramento County	75,000	
(h) New Hogan Reservoir—Calaveras County	30,000	
(i) Park Moabi—San Bernardino County	153,000	
(j) Pine Flat Reservoir—Fresno County	60,000	
(k) Pole Gulch (Trinity Lake) Trinity County	250,000	
(*l*) Puddingstone Lake—Los Angeles County	143,000	
(m) Redondo Beach—Los Angeles County	162,000	
(n) Richmond—Contra Costa County	340,000	
(o) Santa Clara Point (Mission Bay) San Diego County	30,000	
(p) Ski Beach—San Diego County	40,000	
(q) Success Reservoir—Tulare County	30,000	
(r) Ramp repairs and extensions	100,000	

Item		Amount
260—For allotment, pursuant to Section 663.7 of the Harbors and Navigation Code, for boating safety and enforcement programs, Department of Navigation and Ocean Development, the sum of $1,358,633 is appropriated from the Harbors and Watercraft Revolving Fund		(1,358,633)
261—For repairs of damage at small craft harbor facilities constructed pursuant to Sections 70.2, 71.4, and 72.5 of the Harbors and Navigation Code, caused by emergency conditions, including but not limited to tidal waves or severe storms, which may be authorized by the Director of Finance, with the consent of the Governor pursuant to Section 11006 of the Government Code; and for payment of deficiencies in appropriations for the Department of Navigation and Ocean Development which may be authorized by the Director of Finance, with the consent of the Governor, pursuant to Section 11006 of the Government Code; the sum of $100,000 or so much thereof as may be necessary, is appropriated from the Harbors and Watercraft Revolving Fund		(100,000)
262—For support of California Coastal Zone Conservation Commission		419,127
264—For support of Department of Parks and Recreation		41,740,504
Schedule:		
(a) Personal services	32,722,255	
(b) Operating expenses and equipment	14,780,417	
(c) Minor capital outlay	1,349,850	
(d) Reimbursements	−2,427,837	
(e) Federal funds	−563,393	
(g) Amount payable from the Hostel Facilities and Recreation Trails Account, General Fund (Item 266)	−80,028	
(h) Amount payable from Park and Recreation Revolving Account, General Fund (Item 267)	−96,840	
(i) Amount payable from State Park Highway Account, Bagley Conservation Fund	−799,788	
(j) Amount payable from Collier Park Preservation Fund (Item 268)	−2,489,553	
(k) Amount payable from Off-Highway Vehicle Fund (Item 269)	−436,726	

Item		Amount
(*l*) Amount payable from Harbors and Watercraft Revolving Fund (Item 270)	−164,853	
(m) Amount Payable from General Fund (Item 264.1)	−18,000	
(n) Amount Payable from General Fund (Item 264.2)	−7,000	
(o) Amount Payable from General Fund (Item 264.5)	−28,000	
264.1—For reconstruction and rehabilitation of the pier at Kings Beach State Recreation Area to be transferred to, and in augmentation of, subitem (c) of Item 264 of this act by the State Controller		18,000
264.2—For maintenance personnel at Kings Beach State Recreation Area, to be transferred to, and in augmentation of, subitem (c) of Item 264 of this act by the State Controller		7,000
264.5—For access improvements at Twin Lakes State Beach to be transferred to and in augmentation of subitem (c) of Item 264 of this act by the State Controller		28,000
266—For support of Department of Parks and Recreation, payable from funds appropriated by subdivision (a) of Section 2 of Chapter 265, Statutes of 1974, and made available by Section 19.3, Budget Act of 1974 to be transferred to and in augmentation of Item 264 of this act by the State Controller		80,028
267—For support of the Department of Parks and Recreation, payable from the Parks and Recreation Revolving Account, General Fund, to be transferred to and in augmentation of Item 264 of this act by the State Controller		96,840
268—For support of the Department of Parks and Recreation, payable from the Collier Park Preservation Fund, to be transferred to and in augmentation of Item 264 of this act by the State Controller		2,489,553
269—For support of the Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund, to be transferred to and in augmentation of Item 264 of this act by the State Controller		436,726
270—For support of Department of Parks and Recreation, the sum of $164,853 is appropriated from Section 663.7 (d) of the Harbors and Navigation Code, Harbors and Watercraft Revolving Fund, to be transferred to and in augmentation of Item 264 of this act by the State Controller		(164,853)
271—For local assistance for urban open space and rec-		

Item		Amount
	reation local grants program, Department of Parks and Recreation, to be available for expenditures during the 1976–77, 1977–78, and 1978–79 fiscal years, to be allocated by the Director of Parks and Recreation to counties, cities, cities and counties, recreation and park districts and regional park districts for acquisition or development, or both, of parks and recreation areas or open space areas in accordance with criteria to be established pursuant to legislation enacted by the Legislature in 1976	25,000,000
	provided, that the Department of Finance may authorize the Department of Parks and Recreation to retain from this item an amount for administration of this program and for studies of urban park needs.	
272	—For grants to counties, cities, or cities and counties pursuant to Section 38300(a) of the Vehicle Code, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund to be available for expenditures during the 1976–77, 1977–78, and 1978–79 fiscal years	831,497
	Schedule:	
	(a) City of Long Beach, Honda Haven Long Beach Safety Council Mini-Bike and Motorcycle Park 18,750	
	(b) County of Los Angeles, Whittier Narrows Recreation Area—Mini-Bike Park Project 58,322	
	(c) County of Orange, Olinda Off-Highway Vehicle Park 225,000	
	(d) County of Sacramento, Off-Road Vehicle Park 304,425	
	(e) City of San Jose, Multiuse Off-Road Vehicle Racing Track 225,000	
273	—For support of Department of Parks and Recreation, Division of Exposition and State Fair, and for payment of principal and interest on revenue bonds to meet the provisions of Section 15849 of the Government Code	2,857,973
	Schedule:	
	(a) Support 4,647,103	
	(b) Minor capital outlay 266,850	
	(c) Payment of interest and principal on revenue bonds 1,130,000	
	(d) Operating revenues payable from Item 274 ..... −2,880,430	

Item		Amount
(e) Amount payable from the Fair and Exposition Fund	−265,000	
(f) Reimbursements	−40,550	

provided, that no more than the amount actually needed to pay any deficit in principal and interest on the revenue bonds shall be made available for expenditures from subitem (c) of this item; provided further that the amount appropriated by subdivision (a) of Section 19622 of the Business and Professions Code shall be transferred by the State Controller to this item.

274—For support of the Department of Parks and Recreation, Division of Exposition and State Fair, to be transferred to and in augmentation of Item 273 of this act by the State Controller 2,880,430

provided, that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the General Fund by the Division of Exposition and State Fair.

275—For support of San Francisco Bay Conservation and Development Commission 510,225

Schedule:

(a) Personal services	448,004	
(b) Operating expenses and equipment	151,090	
(c) Reimbursements	−25,000	
(d) Federal funds	−55,369	
(e) Amount payable from the California Environmental Protection Program Fund under the provisions of Chapter 1486, Statutes of 1974	−8,500	

276—For transfer to the Water Resources Revolving Fund, to be transferred by the State Controller in such amounts as the Department of Finance may authorize, for support of Department of Water Resources, including cooperative work with other agencies 18,305,000

Schedule:

(a) Continuing formulation of the California Water Plan	8,161,100
(b) Implementation of the State Water Resources Development System	1,943,700
(c) Public safety and prevention of damage	7,713,900
(d) Services	486,300
(e) General management	5,286,500

Item		Amount
	(f) Technical services	7,945,900
	(g) Less charges to general funded programs	−1,397,100
	(h) Less charges to other funded programs	−3,889,400
	(i) Less charges to programs	−7,945,900

provided, that the money so transferred be placed in a special account in that fund and shall not be available for expenditure after June 30, 1977, and any unencumbered balances shall be returned to the General Fund as of June 30, 1977; provided further, that upon consolidation of the Department of Water Resources electronic data-processing operation in the Stephen P. Teale Consolidated Data Center, funds appropriated in subitem (f) for electronic data-processing operations cannot be expended for purposes other than contracting for such services with the Stephen P. Teale Consolidated Data Center without the approval of the Director of Finance.

277—For expenditure by the Department of Water Resources, in accordance with Sections 12570 through 12875 of the Water Code, for payment of, and for reimbursement for necessary advances made for, the cost of cooperation by the state for major flood control projects adopted by the Legislature, for small flood control projects approved under Section 12750 of the Water Code, and for watershed protection and flood prevention projects as authorized by Sections 12850 through 12875 of the Water Code, and administrative costs, Department of Water Resources 5,500,000

provided, that no expenditure shall be made until the local organizations give assurances that they will maintain and operate the projects after completion in such manner as will accomplish the purposes for which the projects were authorized and constructed and as may be required by the federal agencies concerned and the Department of Water Resources, and that the local organizations will hold and save the State of California free from damages or claims due to the construction, installation, or operation of the project; provided further, that the Legislature hereby finds that the modified flood control project described in the report of the International Boundary and Water Commission, United States and Mexico, United States Section, entitled "Draft Environmental

Item		Amount
Statement, Tijuana River Flood Control Project", dated January 1974, is substantially in accordance with the project authorized by the Legislature in Section 12744 of the Water Code, and that funds appropriated by this item may be expended on such project.		
HEALTH AND WELFARE		
278—For support of Office on Aging and Commission on Aging		1,165,542
Schedule:		
(a) Support, Office on Aging	22,174,207	
(b) Support, Commission on Aging	195,586	
(c) Federal grants	−21,204,251	
and, in addition, any amounts received from federal grants or other sources shall be available for expenditure in accordance with the provisions of this item.		
278.1—For support of Office on Aging		123,216
provided, that funds appropriated by this item shall be expended to develop and complete a long-range plan for a statewide network of comprehensive services to the elderly.		
279—For support of Department of Alcoholic Beverage Control		9,614,293
Schedule:		
(a) Personal services	8,046,321	
(b) Operating expenses and equipment	1,712,554	
(d) Reimbursements	−144,582	
280—For local assistance for alcoholism programs in accordance with the provisions of Division 11 (commencing with Section 19900), of the Welfare and Institutions Code, Office of Alcoholism		31,186,167
Schedule:		
(a) County-based programs	24,028,011	
(b) State hospital services	2,368,207	
(c) Vocational rehabilitation services	566,620	
(d) Special projects	767,073	
(e) Office of Alcoholism	1,613,809	
(f) County-based alcoholism programs	6,000,000	
provided, that the Office of Alcoholism shall initially allocate funds appropriated by this subitem on a per capita basis to each participating county and shall establish a minimum amount for counties with low populations.		

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Provided, further, that such funds shall otherwise be allocated pursuant to the provisions of Division 11 (commencing with Section 19900) of the Welfare and Institutions Code.

(g) Research centers 1,000,000

provided, that funds appropriated by this subitem shall be allocated for the purpose of establishing research centers pursuant to Chapter 925 of the Statutes of 1975 in the 1976–77 fiscal year.

Provided, further, that the Office of Alcoholism shall initiate requests for proposals from universities in California who wish to establish such centers.

Provided, further, that funds appropriated by this subitem shall be appropriated without regard to fiscal years.

(h) Payable from other appropriations..... —20,000

(i) Federal funds ..... —5,137,553

provided, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for alcoholism services provided to persons eligible under the California Medical Assistance Program.

280.1—For local assistance for alcoholism programs in accordance with Division 11 (commencing with Section 19900) of the Welfare and Institutions Code, for public inebriate demonstration projects, Office of Alcoholism 2,000,000

provided, that the funds shall be allocated to two or three counties, including at least one over, and one under, 500,000 population.

Provided, further, that any county may apply for such funds and the office shall allocate such funds to the two or three qualified counties which meet the criteria set forth in this section and who demonstrate that officials from law enforcement, members of the business community, the county welfare department, the county alcoholism administrator and alcoholism advisory board, and other relevant concerned individuals and organizations indicate their support of the project and their intention to work closely together to achieve the goals set forth in this section.

Provided, further, that the board of supervisors shall indicate, by resolution, that such individuals and organizations have committed their support

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to the implementation of the project.

Provided, further, that the demonstration counties shall concentrate their efforts on aiding the indigent alcoholic found in a public place who otherwise would be arrested under Section 647 of the Penal Code.

Provided, further, that the demonstration counties shall provide a continuum of services solely on a voluntary basis and shall encourage such indigent alcoholics found in a public place to avail themselves of such services.

Provided, further, that such services shall include social model detoxification, recovery home care, long-term care, 24-hour drop-in centers, and other services that meet the standards established by the Office of Alcoholism pursuant to the provisions of Division 11 (commencing with Section 19900) of the Welfare and Institutions Code.

Provided, further, that such services shall be in addition to any services now provided by counties pursuant to Sections 5170 et seq. of the Welfare and Institutions Code.

Provided, further, that the success of such demonstration projects shall be measured by the attainment of the following goals:

(1) The reduction of the number of visible indigent alcoholics from public places, (2) the reduction of the number of arrests of such persons, (3) the reduction of the amount of time now spent by various elements of the criminal justice system in arrests, detention, and adjudications regarding such persons, and (4) the number of such persons who enter the continuum of care and successfully address their alcoholism problem.

Provided, further, the Legislature recognizes that these funds will not serve to solve the problem of skid row, whose origin and existence is due to many factors other than alcoholism, but that in such demonstration counties, the indigent alcoholic found in a public place will be offered an alternative to the criminal justice system or a locked-facility offering treatment for 72 hours or less.

Provided, further, that no funds appropriated pursuant to this section may be used to replace any funds from any source currently utilized for such programs.

Item		Amount
281—For children's programs, for allocation by executive order of the Department of Finance		4,488,000
282—For support of Department of Health		46,146,348
Schedule:		
(a) Personal services	104,714,516	
(b) Operating expenses and equipment	50,815,135	
(c) For transfer to the Health Care Deposit Fund	14,412,700	
(d) Reimbursements	−45,144,849	
(e) Federal funds	−41,606,633	
(f) Amount payable from other appropriations	−57,500	
(g) Amount payable from Hazardous Waste Control Account, General Fund	−383,522	
(h) Amount payable from Motor Vehicle Account, State Transportation Fund (Item 283)	−267,871	
(i) Amount payable from Hospital Building Account, Architecture Public Building Fund	−2,679,035	
(j) Amount payable from Health Facility Construction Loan Insurance Fund	−149,045	
(k) Amount payable from Health Care Deposit Fund	−33,507,548	

provided, that the funds appropriated in subitem (c) shall be transferred by the Controller to the Health Care Deposit Fund to match federal funds for support of the Department of Health; provided further, that the Director of Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to any program administered by the Department of Health only after approval by the Department of Finance as to the availability of funds; provided further, that any rule or regulation adopted by the Director of the Department of Health during the 1976–77 fiscal year which adds to the cost of any program administered by the Department of Health shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance; provided further, that $138,501 appropriated by this item shall be available for support of contractual services necessary to analyze the data collected as a result of the study conducted

Item		Amount
	pursuant to Resolution Chapter 177, Statutes of 1974 (S.C.R. 117, 1974), as determined by the participants of such study, and the Legislative Analyst shall report the findings of the study to the Legislature by March 1, 1977, and any unexpended portion of the $138,501 shall revert to the General Fund; provided further, that beginning July 1, 1976, at least 25 percent of occupational health inspections shall be initiated by Occupational Health Section staff.	
283—For support of Department of Health, payable from the Motor Vehicle Account, State Transportation Fund		267,871
284—For support of the hospitals for the mentally ill for judicially committed patients, patients committed pursuant to the Penal Code and those mentally ill patients whose county of residence is not participating in a local mental health program as provided in Division 5 of the Welfare and Institutions Code, Department of Health		26,569,779
Schedule:		
(a) State-operated services	25,969,779	
(b) Community-base programs	300,000	
(c) Augmentation for additional county coordinators	200,000	
(d) Augmentation for program evaluation and patient tracking system	100,000	
provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 285 and 287; provided further, that of the funds appropriated by this item, $500,000 shall be used for the purposes of implementing Chapter 1274 of the Statutes of 1975; provided further, that of the funds appropriated by this item, $100,000 shall be used for the purpose of developing a program evaluation, patient tracking, and posthospital followup system at Atascadero State Hospital.		
285—For assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code, Department of Health		285,891,289
Schedule:		
(a) Local mental health services	199,578,694	
(b) State-operated services	86,312,595	
and in addition, any amounts transferred from the		

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Health Care Deposit Fund shall augment and be available for expenditure in accordance with the provisions of subitem (a).

Provided, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for mental health services provided to patients eligible under the California Medical Assistance Program.

Provided further, that of the amount of funds appropriated pursuant to subitem (a), at least $5,600,000 shall be used solely for residential treatment programs, halfway houses, group care homes, and continuing care programs consistent with Section 5661.5 of the Welfare and Institutions Code; provided further, that such funds shall be allocated on the basis of county plans, specifying in detail, the proposed program uses of funds appropriated by this item.

Provided, further, that of the amount of funds appropriated pursuant to subitem (a), $200,000 shall be used solely for the performance of program reviews of county Short-Doyle programs. Such reviews shall be performed by one or more independent evaluators through contract with the Department of Health; and provided, further, that of the funds appropriated in subitem (a), $10,500,000 shall be allocated among the counties for the purpose of achieving equity among the counties in the distribution of the funds, and such allocation shall be based upon a formula developed by the Department of Health.

Provided, further, that of the amount of funds appropriated pursuant to subitem (a), $50,000 shall be used solely for developing standardized categories for reporting of mental health information; for developing minimum parameters for local management information and evaluation systems; for providing technical assistance and consultation to local programs which are developing such systems; and for providing technical assistance to the state in evaluating proposals for funding model management information and evaluation systems. These tasks shall be performed by an independent contractor.

Item		Amount
	Provided further, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 284, 286, and 287.	
	Provided further, that upon order of the Department of Finance, funds may be transferred to Item 291 to match federal funds in order to provide services to former, potential, and current recipients of public assistance receiving mental health services under the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code.	
286	For local assistance for narcotics and drug abuse program, Department of Health	12,568,073
	Schedule:	
	(a) Local assistance 22,836,560	
	(b) Health administration 2,373,873	
	(c) Office of Narcotics and Drug Abuse 477,522	
	(d) Federal funds ..... −12,852,317	
	(e) Amount payable from Chapter 1255, Statutes of 1972 ..... −267,565	
	provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 285 for purposes of paying the cost of local assistance, narcotics and drug abuse programs.	
287	For local assistance for the developmental disabilities program, Department of Health	217,076,136
	Schedule:	
	(a) State hospital services, Department of Health 163,729,287	
	(b) For contracts with regional center operations, Department of Health 54,313,779	
	(c) Special treatment programs in accordance with Sections 72395 to 72445, and 73391 to 3441, inclusive, of Title 22 of the California Administrative Code 1,600,000	
	(d) Community program development and special projects 2,810,945	
	(e) Protective living services 6,831,163	
	(f) Federal funds ..... −11,609,038	
	(g) Family repayments ..... −600,000	
	provided, that the Department of Finance may authorize the transfer of funds from this item to Item 291 to match federal funds to provide protective living services to the mentally retarded; pro-	

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	vided further, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 284 and 285; provided further, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for developmental disabilities services provided to persons eligible under the California Medical Assistance Program; provided further, that the Department of Health shall make the results of evaluations of facilities using the program analysis of service systems method available to the public.	
287.1—For state hospital services, for the developmental disabilities program, Department of Health, for implementation of the staffing standards described in the staffing study known as Program Review Unit No. 72, or other standards designed to provide levels of treatment and rehabilitation services to patients which are comparable to those described in such report		10,000,000
	provided, that the Department of Health shall develop and submit to the Legislature, not later than March 1, 1977, a timetable for implementing staffing standards for state hospitals described in such report, or a comparable level of staffing standards for state hospitals which is designed to provide levels of treatment and rehabilitation services to patients; provided further, that of the funds appropriated by this item for implementing such report, the Department of Finance may authorize the transfer of funds from this item to Item 285 to fund that portion of higher staffing standards for state hospitals that relate to the care of mentally disabled persons.	
288—For transfer to the Health Care Deposit Fund to provide for the state's share of Medical Assistance Program expenditures for medical care and services		863,796,500
	provided, except as otherwise provided in this item, that the amount authorized to be expended by this item shall fully cover the state's share of payments for medical care and services as defined in the Welfare and Institutions Code, for the 1976–77 fiscal year; provided further, that notwithstanding any other provision of law, funds transferred from this item to the Health Care Deposit Fund by the State Controller shall not exceed the state's	

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share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health.

Provided further, that after June 30, 1977, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation.

Provided further, that upon the request of the Director of Health and the approval of the Director of Finance, funds may be advanced to the Health Care Deposit Fund only pursuant to the provisions of Section 16351 of the Government Code.

Provided, notwithstanding any other provision of law, that the Department of Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to the Medical Assistance Program only after approval by the Department of Finance as to the availability of funds; provided further, that any rule or regulation adopted by the Director of the Department of Health during the 1976–77 fiscal year which adds to the cost of the Medical Assistance Program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.

Provided, that notwithstanding any other provision of law, any federal and county funds received under the provisions of Section 14157 of the Welfare and Institutions Code during the 1976–77 fiscal year, for expenditures for health care services pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, made from funds transferred to the Health Care Deposit Fund from the General Fund in prior years, shall be transferred from the Health Care Deposit Fund to the General Fund.

Provided, that notwithstanding any other provision of law, the disposition of any money recovered for previously paid health care services provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code shall be as follows:

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(1) If recovered from a third party who is civilly liable or under a contractual obligation, the nonfederal share shall, after being deposited in the Health Care Deposit Fund, be transferred to the General Fund.

(2) If recovered by the fiscal intermediary, both federal and nonfederal shares, except as provided in paragraph (1) of this proviso, are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.

(3) If recovered by the state for settlement of county hospital cost report audits, both federal and nonfederal shares are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.

(4) If not otherwise provided for in this proviso, the nonfederal share shall, after being deposited in the Health Care Deposit Fund, be transferred to the General Fund.

Provided, that notwithstanding any other provision of law, accounts receivable for recoveries as described in this item shall have no effect upon the surplus of the General Fund or the Health Care Deposit Fund.

Provided, that notwithstanding any other provision of law, money recovered as described in this item required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the State Controller to the General Fund without regard to the appropriation from which it was drawn.

Provided further, that funds appropriated by this item for the Mediscreen Program shall be allocated and administered in conjunction with funds appropriated in Item 293(j) for the Child Health Disability Prevention Program.

Provided further, that the Department of Health shall reimburse hospitals operated by the University of California for medical teaching purposes, where the university is responsible for the operating costs of such a hospital, at rates for services to Medi-Cal patients which results in the minimum General Fund liability for the care of such patients.

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289	For transfer to the Health Care Deposit Fund to provide for the state's share of Medical Assistance Program expenditures for fiscal intermediary services ..... provided, that the amount authorized to be expended by this item shall fully cover the state's share of payments for fiscal intermediary services for the 1976–77 fiscal year; provided further, that notwithstanding any other provision of law, funds transferred from this item to the Health Care Deposit Fund by the State Controller shall not exceed the state's share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health. Provided further, that after June 30, 1977, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation. Provided further, that upon the request of the Director of Health, and the approval of the Director of Finance, funds may be advanced to the Health Care Deposit Fund only pursuant to the provisions of Section 16351 of the Government Code. Provided further, that notwithstanding any other provision of law, the Department of Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to the Medical Assistance Program only after approval by the Department of Finance as to the availability of funds; provided further, that any rule or regulation adopted by the Director of the Department of Health during the 1976–77 fiscal year which adds to the cost of the Medical Assistance Program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.	17,284,800
290	For transfer to the Health Care Deposit Fund to provide for the state's share of Medical Assistance Program expenditures for county administration provided, that the amount authorized to be expended by this item shall fully cover the state's share of payments for county administration for the 1976–77 fiscal year; provided further, that notwithstanding any other provision of law, funds transferred from this item to the Health Care Deposit Fund by the State Controller shall not	82,823,700

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exceed the state's share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health.

Provided further, that after June 30, 1977, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation.

Provided further, that upon the request of the Director of Health, and the approval of the Director of Finance, funds may be advanced to the Health Care Deposit Fund only pursuant to the provisions of Section 16351 of the Government Code.

Provided further, that notwithstanding any other provision of law, that the Department of Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to the Medical Assistance Program only after approval by the Department of Finance as to the availability of funds; provided further, that any rule or regulation adopted by the Director of Health during the 1976–77 fiscal year which adds to the cost of the Medical Assistance Program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.

Provided further, that the county administrative cost control plan administered directly by the Department of Health shall contain a section providing that state funds shall be available and shall reimburse counties for the state's share of the actual percentage increase in total compensation granted by counties for increases in the cost of living and the actual percentage increase in related operating expenses, but in an amount not to exceed 6 percent.

Provided further, that during the 1976–77 fiscal year, the Department of Benefit Payments shall continue the implementation of a plan whereby costs for county administration will be effectively controlled within the amount appropriated by this item.

291—For the cost of special social service programs for which federal grants-in-aid are made to the state; for rehabilitative and employment services; for grants or services to local agencies for the exten-

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	sion of child welfare services; for the cost of the adoptions programs and care of children, to be expended in accordance with the provisions of Section 16100, et seq., of the Welfare and Institutions Code; for the costs incurred by counties, including but not limited to, the required matching funds, for in-home supportive services as provided by Section 12300 et seq., of the Welfare and Institutions Code; for the cost of local agency special training and statewide demonstration programs; for the cost of providing child development services pursuant to Division 12.5 (commencing with Section 16700) of Part 3 of the Education Code; and for the costs of community rehabilitation of mentally handicapped, Department of Health	61,236,280
	Schedule:	
	(a) Child development services 42,987,256	
	(b) Child protection 3,552,666	
	(c) Regional centers 7,013,300	
	(d) Community rehabilitation 17,333,300	
	(e) Blind counselors..... 140,000	
	(f) Service centers 502,674	
	(g) Homemaker chore service 104,148,000	
	(h) Adoptions 13,755,750	
	(i) Demonstration programs 393,520	
	(j) Other county social services 130,461,658	
	(k) Reimbursements and transfers ..—17,220,583	
	(*l*) Federal funds .....—241,637,741	
	(m) Amount payable from other appropriations..... —193,520	
	provided, that upon order of the Department of Finance, funds may be transferred to the Department of Benefit Payments to match federal funds; provided further, that the Department of Health, in allocating funds to counties for homemaker chore service pursuant to subitem (g), shall utilize funds available through the Medi-Cal Program to the extent that such utilization will result in a net reduction of General Fund expenditures for homemaker chore services; provided further, that upon order of the Department of Finance, funds may be transferred from subitem (g) to Item 288 for the provision of homemaker chore medical services for those persons who are eligible under the California Medical Assistance Program; provided further, that unused state share federal funds shall be used to replace General Fund money in programs where the state's match is in	

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	excess of the amount required; provided further, that upon order of the Department of Finance the State Controller shall transfer funds as necessary between this item and Item 282.	
	Provided, further, that the Department of Health shall submit a plan to the Legislature within 30 days of the effective date of this act indicating how the department intends to utilize Title XIX funds to provide health services to aged, blind, and disabled recipients who are currently receiving these services under the Homemaker/Chore program; and provided, further, that the department shall submit quarterly reports to the Joint Legislative Budget Committee regarding the amount of Title XIX funds utilized for these services and the types of services funded.	
292	—For transfer to Items 285, 287, 288, 291, 293, and 294, upon order of the Department of Finance, for price increases for Department of Health local assistance programs and for the state's share of rate increases for nonphysician providers of health care services under the California Medical Assistance Program	80,679,397
	provided, that it is the intent of the Legislature to ensure that all funds appropriated by this item for salary increases to skilled nursing and intermediate care facility employees, under the Medi-Cal program, are provided directly to such employees; provided, further, that no funds appropriated by this item for the purpose of raising the minimum wage for employees of skilled nursing facilities and intermediate care facilities shall be expended until, and to the extent that, the Industrial Welfare Commission acts to adopt higher minimum wage standards; and provided, further, that not more than $7,600,000 of the amount appropriated by this item shall be available to reimburse those hospitals with a higher incidence of Medi-Cal caseload revenue in proportion to overall hospital revenue, but such reimbursement shall not exceed a 10-percent rate increase over the level of reimbursement for each such hospital for the 1975–76 fiscal year.	
293	—For assistance to cities, counties, and local public and private nonprofit agencies for health services, Department of Health	30,553,637
	Schedule:	
	(a) For a tuberculosis control pro-	

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	gram in accordance with the provisions of Sections 3279 to 3295 and 3315 to 3317, inclusive, of the Health and Safety Code		312,153
(b)	Local health services in accordance with Section 1157 of the Health and Safety Code		1,385,242
(c)	Local health agencies, districts, and private nonprofit agencies, in accordance with the provisions of Article 3 (commencing with Section 300), Chapter 2, Part 1, Division 1 of, Chapter 8 (commencing with Section 1100), Part 2, Division 1 of, and Chapter 7 (commencing with Section 3380), Chapter 8 (commencing with Section 3400), and Chapter 10 (commencing with Section 3480) of, Division 4 of, the Health and Safety Code		8,416,384
(d)	Special medical care program		2,784,525
	(1) Hemophilia services in accordance with Article 3.6 (commencing with Section 340), Chapter 2, Part 1, Division 1 of the Health and Safety Code	1,846,725	
	(2) Cystic fibrosis programs in accordance with Article 2.3 (commencing with Section 281), Chapter 2, Part 1, Division 1 of the Health and Safety Code	111,000	

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(3) Renal dialysis program in accordance with Article 7.7 (commencing with Section 417), Chapter 2, Part 1, Division 1 of the Health and Safety Code	826,800	
(e) Genetic disease prevention		2,503,000
(f) Immunization assistance		675,000
(g) Indian health services in accordance with Article 14 (commencing with Section 429.30), Chapter 2, Part 1, Division 1 of the Health and Safety Code		2,500,000
(h) Family planning services in accordance with Sections 10053.2 and 10053.3 of the Welfare and Institutions Code		17,254,493
(i) Maternal and child health services		9,144,045
(j) Child health disability prevention in accordance with Article 3.1 (commencing with Section 306), Chapter 2, Part 1, Division 1 of the Health and Safety Code		8,684,673
(k) Family physician training in accordance with Chapter 1176, Statutes of 1973		1,000,000
(*l*) Federal funds		−19,088,193
(m) Amount payable from other appropriations		−5,017,685
provided, that upon order of the Department of Finance, the State Controller shall authorize the transfer of funds from subitem (j) to the Health Care Deposit Fund for the state's share of expenditures for child health disability prevention services provided to persons eligible under the California Medical Assistance Program.		
293.1—For Tay Sachs disease screening, Department of Health		350,000
293.2—For contracting with the University of California for a human sexuality program, Department of Health		100,000
294—For assistance to cities, counties, and local public and private nonprofit agencies for crippled children's services, Department of Health		22,906,651

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	Schedule:	
	(a) Services to physically handicapped children in accordance with provisions of Sections 249 through 273 of the Health and Safety Code	26,754,077
	(b) Reimbursements	−471,570
	(c) Federal funds	−2,410,856
	(d) Family repayments	−965,000
295	For reimbursement of mandates related to Department of Health programs in accordance with Section 2231(a), Revenue and Taxation Code of any new program or increased level of service of an existing program mandated by legislative action, State Controller	453,498
	provided, allocations to the appropriate local jurisdictions shall be made by the Controller in accordance with the provisions of each bill which mandates additional cost and Section 2231(c), Revenue and Taxation Code.	
296	For support of Employment Development Department	13,150,791
	Schedule:	
	(a) Work Incentive Program as specified in the Unemployment Insurance Code beginning with Section 5000, for transfer by the State Controller to the Special Deposit Fund	4,115,093
	provided, that the State Controller shall transfer these funds only at such time as federal funds are deposited in the Special Deposit Fund and no transfer so made shall exceed 12.5 percent of the amount of federal funds so deposited; and provided, further, the amount available for transfer to the Special Deposit Fund shall be reduced by the amount in cash or in kind available from other sources as the state's share of the work incentive program, as determined by the Employment Development Department and certified to the State Controller.	
	(b) Service Center Program as specified in Section 301.5 of the Unemployment Insurance Code	3,719,032
	provided, that the duties, responsibilities, and services of the community consultants shall be clearly specified in the contracts for the community consultant services.	
	(c) Office of Economic Opportunity and, in addition, any amounts re-	

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ceived from federal grants or other sources shall be available for expenditure in accordance with the provisions of this item.	155,500	
Subschedule:		
(1) Support..... 777,500		
(2) Federal funds ..... −622,000		
provided, that no funds may be expended for this subitem unless and until federal matching funds are available for the purpose of funding this office.		
(d) For payment to various local jurisdictions and state agencies for support of the migratory agriculture workers.....	3,610,270	
Subschedule:		
(1) Support..... 3,510,270		
(2) For completion of a migrant master plan 100,000		
provided, that no funds shall be expended to build new housing or to replace or renovate existing housing, with the exception of emergency repair of sanitation or water facilities, unless and until a migrant housing master plan is submitted, not later than December 1, 1976, and approved by the Department of Finance and submitted, not later than December 1, 1976, to the Joint Legislative Budget Committee.		
(e) Job Agents Program as specified in Division 3 (commencing with Section 9000) of the Unemployment Insurance Code	1,550,896	
297—For support of Employment Development Department, payable from the Department of Employment Development Contingent Fund..... and in addition thereto, any grants made available by the federal government; provided, that all or any portion of this appropriation may be transferred to the Unemployment Administration Fund upon executive order of the Department of Finance.		3,048,825
298—For administration of unemployment compensa-		

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	tion disability benefits, Employment Development Department, the sum of $23,078,497 is appropriated from the Unemployment Compensation Disability Fund	(23,078,497)
299—For support of Department of Rehabilitation		10,410,560
Schedule:		
(a) I. Vocational rehabilitation of the disabled	10,093,118	
(1) Total program 87,594,784		
(2) Reimbursements ..—3,908,098		
(3) Federal funds .... —73,593,568		
(b) II. Nonrehabilitative services	162,991	
(1) Total program 814,957		
(2) Federal funds ..... —651,966		
(c) III. Development of private sector rehabilitation resources.....	154,451	
(1) Total program 2,772,258		
(2) Federal funds .....—2,617,807		
(d) IV. (1) Departmental administration.....	7,362,425	
(2) Amount chargeable to programs I through III .....—7,362,425		
provided, that upon approval of the Director of Finance, the above programs may be augmented from other budget items in this act where funds have been budgeted for transfer to the Department of Rehabilitation for the programs contained in this budget item. Provided further, that such transfers shall enable the state to make maximum utilization of available federal funds.		
300—For support of Department of Benefit Payments, together with any grants made available by the federal government for support of the Department of Benefit Payments during the 1976–77 fiscal year.....		14,784,307
Schedule:		
(a) Personal services	46,453,429	
(b) Operating expenses and equipment	19,506,730	
(c) Reimbursements	—39,988,456	
(d) Federal funds.....	—11,088,295	
(e) Amount transferred from Item 301 for Mod-Mod EDP System	—99,101	
provided, that any rule or regulation adopted by the Director of the State Department of Benefit Payments during the 1976–77 fiscal year which adds to the cost of any public assistance program		

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shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.	
Provided further, that funds appropriated by this item may be transferred to the Health Care Deposit Fund to be matched by federal funds for administrative services rendered under the Medi-Cal Program.	
Provided, that 18 of the new positions proposed for food stamp quality control shall instead be used to expand the department's Medi-Cal quality control efforts.	
300.1—For support of the Department of Benefit Payments, together with any funds made available by the federal government, for blanket funding during the 1976–77 fiscal year	342,864
Schedule:	
(a) Personal services 951,878	
(b) Reimbursements ..... −306,008	
(c) Federal funds ..... −303,006	
provided, that no funds appropriated by this item shall be expended to replace redirected permanent staff; provided further, that funds appropriated by this item shall be transferred to and in augmentation of Item 300 pursuant to the approval of the Department of Finance; provided further, that the Department of Benefit Payments shall report quarterly to the Department of Finance and the Joint Legislative Budget Committee on the usage of blanket funds.	
300.2—To the Department of Benefit Payments for support, to be allocated by the Department of Finance	282,831
provided, that funds appropriated by this item shall be transferred to and in augmentation of Item 300; provided further, that the Department of Finance shall notify the Joint Legislative Budget Committee when making any allocations of funds made available by this item.	
301—For support of Department of Benefit Payments, together with any funds made available by the federal government, for increased monitoring to automated data processing developments by county welfare departments throughout the state	269,883
Provided, that notwithstanding any other provision of law, the Department of Benefit Payments may withhold state financial support of a county's automated welfare operations if the county does	

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	not provide a fiscal accounting of such operations in the form and manner as may be requested by the department; provided further, that the Department of Benefit Payments may enter into agreements with a county wherein state financial support for the development or modification of county automated welfare operations is conditioned upon the realization of savings projected by the county. Provided further, that funds appropriated by this item may be transferred to and in augmentation of Item 300.	
302—For State Supplementary Program for Aged, Blind and Disabled (SSP), as provided by Sections 12000 to 12204, inclusive, of the Welfare and Institutions Code, Department of Benefit Payments.. provided, that this appropriation is in addition to the county contribution required for this program as prescribed by Section 12400 of the Welfare and Institution Code.		725,323,100
	Provided further, that there is further appropriated for purpose of this item, subject to the review of the Director of Finance, such funds as are required to meet the terms of the contract between the State of California and the Secretary of Health, Education and Welfare relating to the State Supplementary Program for Aged, Blind and Disabled (SSP). The Director of Finance shall report to the Legislature within 15 days any such reviews of expenditure in excess of this appropriation. At such time as a report is made, the amount of this appropriation shall be increased by the amount of such excess unless or until otherwise provided by law. Provided further, that any rule or regulation adopted by the Director of Benefit Payments during 1976–77 fiscal year which adds to the costs of the SSP Program shall only be effective from and after the date upon which it is approved as to availability of funds by the Director of Finance. Any such approvals shall be reported to the Joint Legislative Budget Committee, by the Director of Finance subject to the requirements of Section 28 of the Budget Act of 1976.	

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Provided further, that December 1, 1975, shall be used as the month of comparison for all methods of calculating cost-of-living adjustments to the payment standards for SSP recipients in compliance with Section 12201 of the Welfare and Institutions Code.

304—For the costs of the state's share of special adult programs including a) Special circumstances, Welfare and Institutions Code 12550 and 12551, b) Special benefits/excess value homes, Welfare and Institutions Code 12152(b), c) Aid to the Potentially Self-supporting Blind, Welfare and Institutions Code 13000 et seq., and for d) Emergency Payments, Welfare and Institutions Code 12525, Department of Benefit Payments 6,620,300
Schedule:
(a) Special circumstances 3,118,700
(b) Special benefits/excess value homes 1,794,400
(c) APSB 466,600
(d) Emergency payments, loan losses 1,240,600

305—For the state's share of the nonfederal administrative costs of administering a) the payment of aid grants as provided by Section 42.5 of Chapter 578, Statutes of 1971, as amended by Chapter 1216, Statutes of 1973, b) Special Adult Programs, c) food stamps as provided by Chapter 1216, Statutes of 1973, and d) administration of emergency payments, Department of Benefit Payments 72,114,350
Schedule:
(a) AFDC administration 54,410,000
(b) Administration of Special Adult Programs 1,165,650
(c) Food stamp administration 15,938,700
(d) Emergency payments administration 600,000

provided, that the department may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Benefit Payments, the Director of Finance may authorize the transfer of funds to Item 300 for this purpose.

Provided further, that it is the intent that the Department of Benefit Payments shall continue implementation of a plan of cost control for county administration costs.

Provided further, that notwithstanding any

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	provisions of the Welfare and Institutions Code to the contrary, the amount of state funds available to the counties for administration of the AFDC, Food Stamp, Special Adult, and Emergency Payment Programs shall be limited to the amount appropriated in this Budget Act, administered in accordance with the approved county cost plans under the county administrative expense cost control system. Provided, further, that the county administrative cost control plan administered directly by the Department of Benefit Payments shall contain a section providing that state funds shall be available and shall reimburse counties for the state's share of the actual percentage increase in total compensation granted by counties for increases in the cost of living and the actual percentage increase in related operating expenses, but in an amount not to exceed 6 percent.	
305.5—For the state's share of food stamp administrative costs as required by Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code, Department of Benefit Payments		32,760,000
	provided, that funds appropriated by this item shall only be available for expenditure for purposes of the state's share of food stamp administrative costs necessitated by the state being required by action of the federal government to provide food stamps to recipients of the State Supplementary Payment/Supplemental Security Income Program; provided further, that these funds shall be transferred to the appropriate item of this act, upon the approval of the Department of Finance.	
306—For reimbursement of mandates related to Audits and Collections, Department of Benefit Payments programs in accordance with Section 2231(a), Revenue and Taxation Code of any new program or increased level of service of an existing program mandated by legislative action, State Controller		300,000
	provided, allocations to the appropriate local jurisdictions shall be made by the Controller in accordance with the provisions of each act which mandates additional cost and Section 2231(c), Revenue and Taxation Code.	
307—For support of Department of Corrections		203,640,748

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	Schedule:	
	(a) I. Reception and diagnosis 2,444,977	
	(b) II. Institutional program 168,338,278	
	(c) III. Releasing authorities..... 2,707,100	
	(d) IV. Community correctional program 25,042,806	
	(e) V. Administration 7,711,625	
	(f) VI. Unallocated redirection ..... −683,000	
	(g) Reimbursements .....−1,878,975	
	(h) Federal funds..... −42,063	
	provided, that upon executive order of the Department of Finance, any portion of this item which reflects savings due to reduction of population may be transferred to and in augmentation of Item 318, Budget Act of 1976.	
307.5—For facilities planning, Department of Corrections.....		92,346
	provided, that such planning shall first involve and set forth an analysis of programs for custody, treatment, and rehabilitation, and that plans for physical facilities shall be based upon the analysis of these program needs and how they relate to location, size, and design of physical facilities; provided further, that such plans shall not entail working drawings; provided further, that such plans shall be provided to the Joint Legislative Budget Committee and to the fiscal committees of the two houses of the Legislature by March 1, 1977.	
308—For transportation of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Sections 3000 et seq. of the Welfare and Institutions Code and 11190 et seq. of the Penal Code, in accordance with the provisions of Section 26749 of the Government Code.....		200,000
	provided, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such transportation costs were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
309—For expenses of transporting fugitives from justice from outside the state, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code		700,000
	provided, that expenditures made under this item	

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	shall be charged to the fiscal year in which the warrant is issued by the State Controller, and any restitution received by the state for such expenses be credited to the appropriation of the year in which the State Controller's receipt is issued.	
310	For court costs and county charges, payable under Sections 4700 and 4700.5 of the Penal Code, in connection with coroners' services and trials of inmates charged with commission of a crime or crimes while incarcerated in a state institution or prison under the Department of Corrections, Department of Corrections ..... provided, that claims filed payable under Section 6005 of the Penal Code may be paid by the Department of Corrections from funds appropriated by this item.	1,598,934
	Provided further, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such court costs and county charges were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
311	For reimbursement to counties for the cost of detaining state parolees pursuant to Section 4016 of the Penal Code, as added by Chapter 1237 of the Statutes of 1974, Department of Corrections..... provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	560,000
312	For support of Department of the Youth Authority.....	90,758,838
	Schedule:	
	(a) I. Community services..... 1,939,853	
	(b) II. Rehabilitation services..... 87,184,873	
	(c) III. Research..... 1,552,230	
	(d) IV. Youth Authority Board..... 1,328,767	
	(e) V. Administration undistributed.. 4,873,058	
	(g) Reimbursements .....—5,860,803	
	(h) Federal funds..... —259,140	
	provided, that upon executive order of the Department of Finance, any portion of this item which reflects savings due to reduction of population may be transferred to and in augmentation of Item 318, Budget Act of 1976.	

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312.5—For contracting with Sugar Ray Youth Foundation, for correctional services to wards and parolees, Department of the Youth Authority	330,000
313—For transportation of persons committed to Department of the Youth Authority to or between its facilities, including the return of parole violators; provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller	43,540
314—For reimbursements to counties for maintenance of juvenile homes, ranches and camps, Department of the Youth Authority, to be expended in accordance with the provisions of Sections 880 through 890 of the Welfare and Institutions Code	3,825,840
315—For reimbursements to counties for construction of juvenile homes, ranches and camps, Department of the Youth Authority, to be expended in accordance with Section 891 of the Welfare and Institutions Code	400,000
Notwithstanding other provisions of this section, the amount made available by this item shall be available for expenditure until June 30, 1978.	
316—For county delinquency prevention commissions, Department of the Youth Authority, to be allocated by the Director of the Youth Authority, in accordance with Section 1792.1 of the Welfare and Institutions Code	33,300
317—For county delinquency prevention commissions and research and training grants, Department of the Youth Authority	200,000
provided, that expenditures allocated in accordance with Section 1792.2 of the Welfare and Institutions Code are contingent upon receipt of federal, local, or private agency funds to initiate the programs in an amount equal to, or greater than, allocations from this appropriation; provided further, that grants for research and training in delinquency and crime prevention shall be allocated in accordance with Section 1752.6 of the Welfare and Institutions Code.	
318—For assistance to counties in their operation of special probation supervision programs, in accordance with Sections 1820 through 1827 of the Welfare and Institutions Code, Department of the Youth Authority	19,687,000

Item		Amount
	provided, that the amount payable to any county shall be limited to the amount of its entitlement which would be calculated on the basis of the reduced commitment rate achieved during the 1975–76 fiscal year. Provided further, that upon executive order of the Department of Finance, any portion of this item which is in excess of the actual reimbursement to the counties in the 1976–77 fiscal year may be transferred to and in augmentation of Items 307 and 312 to provide for unbudgeted population increase. Moneys appropriated by this item shall be available to reimburse counties for their expenditures for the cost of new or expanded special probation supervision programs established above the level of effort in probation supervision maintained by these counties during the 1965–66 fiscal year. Expenditures made under this item to reimburse counties for their cost of special probation supervision programs shall be charged to the year the warrant is issued by the State Controller.	
319	—For support of California Health Facilities Commission payable from the California Health Facilities Commission Fund, in accordance with the provisions of Part 1.7 (commencing with Section 440) of Division 1 of the Health and Safety Code	1,062,939

EDUCATION

EDUCATION—K–12

320	—For transfer by the State Controller from the General Fund to Section A of the State School Fund, in lieu of the appropriation made by Section 16130 of the Government Code, for the purposes of the Early Childhood Education Program	97,700,000
	Schedule:	
	(a) Total program 98,799,960	
	(b) Less administration (shown in Item 335) ..... −1,099,960	

Item Amount

provided, that this amount shall be apportioned in accordance with the provisions of Chapter 6.1 (commencing with Section 6445) of Division 6 of the Education Code except that the Controller shall schedule payment of the certified allowances according to the provisions of paragraph (5) of subdivision (a) of Section 17352 of the Education Code.

Provided further, that the amount specified in subdivisions (b) and (c) of Section 6445.12 of the Education Code shall be raised to one hundred forty dollars ($140) and the amount specified in subdivisions (b) and (c) of Section 6445.13 of the Education Code shall be raised to seventy dollars ($70).

Provided further, that the Department of Education shall not adversely evaluate Early Childhood Education Program schools which retain Miller-Unruh specialists with regard to the 1-to-10 adult-student guideline, and shall so notify districts prior to allocation of this appropriation.

321—For transfer by the State Controller from the General Fund to Section A of the State School Fund, in lieu of the appropriation made by Section 16130 of the Government Code, for the purposes of the Educationally Disadvantaged Youth Program..... 93,182,400

Schedule:

(a) Total program 94,075,870

(b) Less administration (shown in Item 336) ..... —893,470

This amount shall be apportioned in accordance with the provisions of Chapter 6.10 (commencing with Section 6499.230) of Division 6 of the Education Code, except that the Controller shall schedule payment of the allowances under this chapter according to the provisions of paragraph (5) of subdivision (a) of Section 17352 of the Education Code.

Provided, that the Department of Education shall utilize the most recently available data in computing entitlements for the program for the 1976–77 fiscal year and shall allocate entitlements accordingly; however, no district shall receive less than 100 percent of its entitlement for the 1975–76 fiscal year.

Provided, that prior to allocation of funds from this item for the 1976–77 fiscal year, the Department of Education shall compute school district

Item		Amount
	entitlements for the 1977–78 fiscal year, utilizing the most recently available data, and shall notify school districts of their projected grants for the 1977–78 fiscal year.	
321.1	—To Department of Education for the purpose of contracting with an independent evaluator to evaluate the critical mass concept ..... provided, that the Legislative Analyst approve the request for proposal for the study, the Department of Education and the Legislative Analyst jointly review the proposals submitted, the Department of Education and the Legislative Analyst jointly select the evaluator-contractor, and the Legislative Analyst and the Department of Finance approve the contract prior to award.	100,000
322	—To Department of Education for the following two compensatory education programs: (1) demonstration programs in reading and mathematics, and (2) the professional development center program as specified in Education Code Sections 13355 through 13355.15..... Schedule: (a) Demonstration programs in reading and mathematics ..... 3,242,925 (b) Professional development centers 650,000 provided, that the Department of Education, in utilizing the funds appropriated by this item, shall expand the programs in the 1976–77 fiscal year to 12 school districts and shall include as criteria for participation, a district's efforts to establish a multidistrict project and to obtain and use matching funds from local, state, or federal sources.	3,892,925
323	—To Department of Education for special elementary school reading instruction program teachers provided, that the maximum state subsidy to a Miller-Unruh teacher shall be no greater than 75 percent of the statewide average elementary teacher salary, as specified in Section 5793.1 of the Education Code.	13,849,625
324	—For transfer by the State Controller from the General Fund to Section A of the State School Fund for the purposes of the Master Plan for Special Education Pilot Program, pursuant to provisions of Chapter 11 (commencing with Section 7000) of Division 6 of the Education Code..... Schedule: (a) Total program 40,451,677	40,143,250

Item		Amount
	(b) Less administration (shown in Item 335) ..... —308,427	
	provided, that at least one of the responsible local agencies, which has not previously implemented the Master Plan for Special Education Pilot Program, but whose plan is approved by the State Board of Education for implementation in the 1976–77 fiscal year, shall exceed the statewide average percentage of Spanish-surname pupils.	
	Provided further, that notwithstanding Section 17303.5 of the Education Code, there shall be expended for the purposes of Chapter 1532 of the Statutes of 1974, in the 1976–77 fiscal year, the following amounts:	
	(a) $9,700,000, or so much thereof as may be necessary, to be derived from funds which would otherwise be expended under subdivision (c) of Section 17303.5 of the Education Code.	
	(b) $5,500,000, or so much thereof as may be necessary, to be derived from funds which would otherwise be expended under subdivision (g) of Section 17303.5 of the Education Code.	
325—To the Department of Education to reimburse school districts and county superintendents of schools for the costs of providing occupational training of physically handicapped and mentally retarded pupils pursuant to Section 6932 of the Education Code		96,050
	provided, that the State Controller shall allow reimbursements of up to 6.5 percent above the amount reimbursable pursuant to Section 6932 of the Education Code.	
326—To the Department of Education for apportionment to school districts and other eligible agencies maintaining development centers for handicapped pupils pursuant to Sections 6880 through 6880.50 of the Education Code		12,055,000
	Schedule:	
	(a) Total program 13,128,000	
	(b) Federal funds ..... —1,073,000	

Item		Amount
	provided, that, notwithstanding any other provisions of law, the Superintendent of Public Instruction may allocate funds from the appropriation made by this item to school districts or county superintendents of schools in order to increase the reimbursement per child hour allowed pursuant to Section 6880.14 of the Education Code from $1.75 to $1.89 to meet cost increases due to inflation.	
327—To the Department of Education for child development programs for apportionment to school districts and other eligible agencies maintaining children's centers, child care and preschool programs, pursuant to Division 12.5 (commencing with Section 16700) of the Education Code.....		67,082,479
Schedule:		
(a) Children's centers	42,437,054	
Subschedule:		
(1) Children's centers	80,225,663	
(2) Reimbursements	—37,331,609	
(3) Federal funds	—457,000	
(b) State Preschool Program.....	24,645,425	
Subschedule:		
(1) Total program	25,265,489	
(2) Less administration (shown in Item 335)	—620,064	
provided, that the Department of Finance may, by executive order, transfer funds scheduled in subitem (a) above, for and in augmentation of the amount scheduled in subitem (a) of Item 291 of this act, for purposes of meeting the state matching fund requirements for child care services provided for under Public Law 90-248 and Public Law 93-647; and provided further, that all state and local funds for the children's centers and child care programs and all federal funds for child care services generated by state and local in-kind matching funds shall be expended in meeting Public Law 90-248 and Public Law 93-647 requirements and in expanding needed services in children's centers and child care programs; provided further, that notwithstanding any other provisions of law, the maximum reimbursement levels for child-hour costs within a child development program allowed pursuant to Section 16780 of the Education Code shall be increased for the 1976–77 fiscal year to $1.21 for children age two and over		

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and $1.44 for children under two years of age.

Provided further, that notwithstanding any other provisions of law, $799,971 scheduled in subitem (a) above, shall be subject to allocation by executive order by the Director of Finance to the Department of Education for the following purposes:

(1) To provide for the payment of approved special rent allowances to private nonprofit contractors who deliver child care services, provided that these special allowances are not subject to the provisions of Section 16780 of the Education Code, and that the Department of Education shall only allow special rent allowances to fund rental costs in excess of that amount which can be funded within the applicable maximum state and federal reimbursements specified in Section 16780 of the Education Code.

(2) To provide contract payments not to exceed $501,420 to programs designed to provide care for developmentally and physically handicapped children, which were under contract during fiscal year 1973–74 as capitalized child care programs;

Provided further, that $1,283,379 scheduled in subitem (a) above, for county child care services, shall be subject to the provisions of Section 19.7 of this act.

Provided, further, that of the amount appropriated in subitem (a), an amount not to exceed $2,140,511 shall be allocated for administrative costs of the Department of Education.

Provided, further, that the additional $15,000,000 of General Fund moneys appropriated by this item in lieu of $15,000,000 in Title XX reimbursements for child care shall be utilized for increasing the number of children served in child care programs, in accordance with the June 3, 1976, plan of the Department of Education.

328—To Department of Education for Indian Education Centers, provided that the appropriation made by this item is limited to carrying out the provisions of Article 2 (commencing with Section 526) of Chapter 4.5 of Division 2 of the Education Code 600,000

Schedule:

(a) Total program 673,500

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(b) Less administration (shown in Item 335)	−73,500	
328.1—To Department of Education for Indian early childhood education, to be expended to carry out the purposes of Chapter 1052, Statutes of 1972.... provided, that no funds appropriated by this item may be used for Department of Education administrative costs.		250,000
329—To Department of Education for Bilingual Education programs pursuant to Sections 5761 through 5764.5 of the Education Code		8,139,808
Schedule:		
(a) Total program	8,515,115	
(b) Less administration (shown in Item 335)	−375,307	
provided, that no funds appropriated by this item shall be expended for those monolingual English-speaking students whose enrollment in a bilingual class would result in there being more than 40 percent monolingual English-speaking students in the class; provided further, that funds appropriated by this item shall not supplant any other state or federal funds received at the school site level which may be used to meet the instructional needs of limited- and non-English-speaking students.		
330—To Department of Education for instructional television programs, to be expended in accordance with the provisions of Section 18270 of the Education Code		821,364
Schedule:		
(a) Total program	840,000	
(b) Less administration (shown in Item 335)	−18,636	
330.1—To the Department of Education for environmental education, payable from the California Environmental Protection Program Fund		400,000
provided, that notwithstanding the provisions of Section 39102 of the Health and Safety Code, such funds shall be expended pursuant to the provisions of Chapter 5.5 (commencing with Section 565) of Division 2 of Part I of the Education Code; provided further, that an amount equal to 22 percent of the funds appropriated pursuant to this item shall be transferred by the State Controller on July 1, 1976, to the Resources Agency for purposes of developing environmental curriculum and informational materials.		

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331—To Department of Education for transfer to the State Child Nutrition Fund pursuant to Education Code Section 17315 for child nutrition programs pursuant to the provisions of Section 17314 of the Education Code 36,700,000
Schedule:
(a) Total program 37,498,764
(b) Less administration (shown in Item 336) ..... −798,764
School district claims for reimbursement of meals pursuant to this item shall be submitted not later than September 30, 1977, to be eligible for such reimbursement.

332—(a) In lieu of the amounts which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1976–77 fiscal year pursuant to subdivisions (a) and (b) of Section 17301 of the Education Code, there is hereby appropriated for transfer by the State Controller during the 1976–77 fiscal year from the General Fund in the State Treasury to Section A of the State School Fund, such sums as needed, in addition to the sums accruing to Section A of the State School Fund from other sources, as shall provide in Section A of State School Fund for apportionment pursuant to Chapter 1 (commencing with Section 17151), Chapter 2 (commencing with Section 17300), and Chapter 3 (commencing with Section 17601), of Division 14 of the Education Code, during the 1976–77 fiscal year, an amount not to exceed four hundred fifty-five dollars and fifty-two cents ($455.52) per pupil in average daily attendance during the preceding fiscal year credited for purposes of state apportionments to all kindergarten, elementary, high school, and adult schools in the state and to the county school tuition funds, as certified by the Superintendent of Public Instruction.

(b) In lieu of the schedule of expenditures prescribed by Sections 17303 and 17303.5 of the Education Code, the amount to be transferred to the State School Fund for the 1976–77 fiscal year pursuant to subdivision (a) of this item shall be expended during such fiscal year in accordance with the following schedule:

(1) Twenty-one dollars and fifty cents ($21.50) multiplied by the total average daily attendance

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credited for purposes of state apportionments during the preceding school year to elementary school districts which during the preceding school year had less than 901 units of average daily attendance, to high school districts which during the preceding school year had less than 301 units of average daily attendance, and to unified districts which during the preceding school year had less than 1,501 units of average daily attendance, but not to exceed seventy-nine cents ($0.79) multiplied by the average daily attendance credited for purposes of state apportionments during the preceding fiscal year to all kindergarten, elementary, high school and adult schools in the state and to county school tuition funds, for allowance to county school service funds pursuant to subdivision (a) of Section 18352 of the Education Code. (2) Seven dollars and eighteen cents ($7.18) multiplied by the total average daily attendance credited for purposes of state apportionments to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for the purpose of Article 10 (commencing with Section 18051) of Chapter 3 of Division 14 of the Education Code. (3) Twenty-four dollars and sixty-eight cents ($24.68) multiplied by the total average daily attendance credited for purposes of state apportionments to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for the purposes of Sections 18060 and 18062 and Article 11 (commencing with Section 18101) of Chapter 3 of Division 14 of the Education Code. (4) Three dollars and forty-four cents ($3.44) multiplied by the total average daily attendance credited for purposes of state apportionments to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for allowances to county school service funds pursuant to subdivision (b) of Section 18352 of the Education Code. (5) Two dollars and seventy-three cents ($2.73) multiplied by the total average daily attendance credited for purposes of state apportionments to all kindergarten, elementary, high	

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school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for allowances to school districts for the purposes of Section 6426 of the Education Code.

(6) Four hundred two dollars and ninety-five cents ($402.95) multiplied by the total average daily attendance credited to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds for purposes of state apportionments during the preceding fiscal year for basic aid, equalization aid, allowances for adults, and allowances to the county school tuition funds to be apportioned on account of average daily attendance.

(7) Thirteen dollars and seventy-five cents ($13.75) multiplied by the average daily attendance during the preceding school year credited for purposes of state apportionments to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds for purposes of Chapter 7.1 (commencing with Section 6750) of Division 6 of the Education Code.

(c) Of the amount appropriated pursuant to subdivision (a) of this item, not more than $5,000,000 may be expended in the 1976–77 fiscal year for new programs as determined by the Superintendent of Public Instruction, including, but not limited to, regional occupational centers and programs and special programs under exceptional circumstances as determined by the Superintendent of Public Instruction. The Superintendent of Public Instruction shall provide a quarterly report to the Chairman of the Joint Legislative Budget Committee and the Director of Finance on the expenditures made pursuant to this subdivision.

(d) (1) Of the amounts appropriated in subdivision (a) for the purposes of this item, and except as provided in subdivision (c), the Superintendent of Public Instruction shall apportion to county superintendents of schools and school districts state aid adjusted for the 1976–77 fiscal year foundation program increases for not more than 105 percent of the 1975–76 second principal apportionment average daily attendance counted for purposes of state apportionments for each of the following programs:

(aa) High School Other than Defined Adults in Adult Classes.

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(bb) High School Defined Adults and Regional Occupational Centers and Regional Occupational Programs' Defined Adults.

(cc) Regional Occupational Centers and Regional Occupational programs maintained by a single school district or by school districts pursuant to a joint powers agreement.

(dd) Regional Occupational Centers and Regional Occupational Programs maintained by a county superintendent of schools.

(2) A county superintendent of schools or a school district may exceed the apportionment limit in a particular program; provided that the total combined amount of state aid apportioned for all programs managed by the county superintendent of schools or the school district, as the case may be, in programs (aa), (bb), (cc), and (dd) above, does not exceed the overall apportionment limits provided in paragraph (1) of subdivision (d).

(3) If funds remain after the apportionment of state aid pursuant to this subdivision because some programs do not expand to 105 percent of the 1975–76 second principal apportionment average daily attendance, such funds may be apportioned to school districts and county superintendents of schools for programs which will exceed the apportionment limit or for programs specified in subdivision (c).

(e) This item shall not be interpreted to impose a limitation upon enrollment.

(f) No amount shall be expended for the purposes specified in subdivision (c) unless the programs for which such expenditures are made are approved pursuant to Chapter 14 (commencing with Section 7450) of Division 6 of, and Division 29 (commencing with Section 45000) of, the Education Code.

(g) In determining the amount of state aid to be apportioned for defined adults the Department of Education shall use in the defined adult apportionment formulas only that ADA allowed under the limits provided in subdivisions (c) and (d) of this item.

Item		Amount
333—To the Department of Education for assistance to public libraries, to be apportioned by the Division of Libraries as provided in Chapter 1.5 (commencing with Section 27111) of Division 20 of the Education Code		1,000,000
334—For reimbursement of mandates related to educational programs in accordance with subdivision (a) of Section 2231, Revenue and Taxation Code of any new program or increased level of service of an existing program mandated by legislative action, State Controller		32,500
provided, that allocations to the appropriate local jurisdictions shall be made by the Controller in accordance with the provisions of each act which mandates additional cost and subdivision (c) of Section 2231, Revenue and Taxation Code.		
335—For support of Department of Education, Superintendent of Public Instruction and State Board of Education		13,658,484
Schedule:		
(a) Personal services	29,865,839	
(b) Operating expenses and equipment	22,051,716	
(c) Minor capital outlay	100,000	
(d) Consolidated data center	334,791	
(e) Education Commission of the States	35,000	
(f) Special projects	1,043,128	
(g) Reimbursements	−1,960,098	
(h) Federal funds	−23,507,910	
(i) Amounts payable from other support appropriations	−11,276,900	
(j) Amounts payable from local assistance appropriations	−3,027,082	
provided, that the funds appropriated in subitem (d) may be allocated by the Department of Education to subitems (a) and (b) above and expended therefrom for electronic data processing; provided further, that the Director of Finance, may transfer the unencumbered balance of subitem (d) to the Stephen P. Teale Consolidated Data Center, Item 217, Budget Act of 1976.		
336—To the Department of Education for the administration of the Educationally Disadvantaged Youth Program and the Child Nutrition Program, and for expenditures on nutrition education projects		1,692,234
The appropriation made by this item shall be in lieu of the appropriations made by:		

Item		Amount
(a) Subdivision (c) of Section 16130 of the Government Code and the provision of Section 6499.236 of the Education Code for the administration of the educational need factor formula program	893,470	
(b) Subdivision (b) of Section 17315 of the Education Code and the provision of Section 17459.3 of the Education Code for state administrative expenses related to the Child Nutrition Program and nutrition education projects	798,764	
337—To the Department of Education for the purposes of developing a driver training course and training the instructional personnel to conduct the course according to provisions of Education Code Section 374, the sum of ninety thousand dollars ($90,000) is appropriated from the Driver Training Penalty Assessment Fund to the General Fund		90,000
338—For support of Department of Education, the sum of $323,670 is appropriated from the State School Building Aid Fund		(323,670)
339—For support of the State Educational Agency for Surplus Property, the sum of $4,587,208 is appropriated from the Surplus Educational Property Revolving Fund		(4,587,208)
340—For support of the California Advisory Council on Vocational Education and Technical Training		61,164
341—For support of special schools, Department of Education		14,443,835
and in addition, any amounts received from federal grants or other sources shall be available for expenditure in accordance with the provisions of this item.		
Schedule:		
(a) California School for the Blind	1,777,647	
(1) Support	2,253,245	
(2) Reimbursements	−475,598	
(b) Diagnostic School for Neurologically Handicapped Children, Northern California	1,200,823	
(1) Support	1,272,823	
(2) Reimbursements	−72,000	
(c) Diagnostic School for Neurologically Handicapped Children, Southern California	1,163,353	
(1) Support	1,424,663	

Item		Amount
(2) Reimbursements .. −261,310		
(d) California School for the Deaf, Berkeley	3,832,076	
(1) Support	4,499,533	
(2) Reimbursements .. −667,457		
(e) California School for the Deaf, Riverside	5,468,626	
(1) Support	6,046,326	
(2) Reimbursements .. −577,700		
(f) Diagnostic School for Neurologically Handicapped Children, Central California	1,001,310	
(1) Support	1,013,310	
(2) Reimbursements .. −12,000		
provided, that transfers between items in the above schedule cannot be made without the approval of the Department of Finance.		
342—For support of Division of Libraries, Department of Education and Board of Library Examiners		3,661,065
343—For transfer by State Controller to the Teachers Retirement Fund for State Teachers' Retirement System		135,000,000
344—For support of Commission for Teacher Preparation and Licensing, payable from the Teacher Credentials Fund		2,505,334
Schedule:		
(a) Personal services	1,853,258	
(b) Operating expenses and equipment	1,953,739	
(c) Federal funds	−1,301,663	
HIGHER EDUCATION		
345—For support of California Postsecondary Education Commission		1,298,843
Schedule:		
(a) Personal services	1,046,928	
(b) Operating expenses and equipment	1,271,332	
(c) Federal funds	−1,019,417	
346—For support of University of California, exempt from Section 31 of this act		612,832,460
provided, that none of the funds appropriated by this item may be expended to initiate major capital outlay projects, either by contract or lease-purchase agreement, without prior legislative approval.		
Provided further, that none of the funds appro-		

Item		Amount
	priated by this item may be expended for any new medium- or large-scale computers which exceed 100,000 positions of primary core memory until a special task force report (as recommended in the Supplementary Report of the Committee on Conference on the Budget Act of 1976) is submitted to the Joint Legislative Budget Committee and the Chairpersons of the Senate Finance and Assembly Ways and Means Committees, or not sooner than 30 days after written notification therefor is given to the Chairpersons of the Senate Finance and Assembly Ways and Means Committees. Provided, further, that no expenditure may be made from the $483,500 appropriated by this item for development of management information systems unless it is matched by the university with an equal contribution from funds not appropriated by this act. Provided further, that $275,000 of this appropriation for the Educational Opportunity Program is available only on the condition that an equal contribution from the university is made from funds not appropriated in this act.	
346.1	—For support of University of California, exempt from Section 31 of this act	712,714
346.2	—For support of University of California—State Data Program, exempt from Section 31 of this act	97,000
346.4	—For support of the University of California, Riverside Air Pollution Research Center, exempt from Section 31 of this act provided, that funds appropriated in this item shall be used for the purpose of replacing reduced federal overhead payments to the University of California and shall be allocated only upon order of the Director of Finance.	144,000
347	—For financing undergraduate teaching excellence, University of California, exempt from Section 31 of this act	1,000,000
348	—For the planning of a University of California medical education program in the Fresno-San Joaquin Valley Region, exempt from Section 31 of this act	70,000
349	—For the support of a University of California medical education program at its Berkeley Campus, exempt from Section 31 of this act	323,000
350	—For support of a University of California biomedical education program at its Riverside Campus, exempt from Section 31 of this act	251,500

Item	Amount
352—For financing research and development of aquaculture within controlled systems, in the sea and inland fresh waters of California to expand food production potential from aquatic species, University of California, exempt from Section 31 of this act	334,000
353—For support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew Postgraduate Medical School, as provided for in Sections 1, 2 and 3 of Chapter 1140 of the Statutes of 1973, exempt from Section 31 of this act	1,800,500
354—For support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric Medicine, as provided for in Sections 1 to 4, inclusive, of Chapter 1497, Statutes of 1974, exempt from Section 31 of this act	612,000
355—For salary increases, to be allocated by the Department of Finance to the Regents of the University of California, in augmentation of its appropriation for support or for other purposes, in such amounts as will defray the cost, including staff benefits, of increases in compensation provided for in any increased salary range or rate established on or after July 1, 1976 for the 1976–77 fiscal year by the Regents of the University of California, exempt from Section 31 of this act .... provided, that increases in compensation provided by increased salary ranges for positions established for the 1976–77 fiscal year shall not result in total annual salary increases of more than $29,478,301. Before the Regents of the University of California establish any increased salary range or rate for the 1976–77 fiscal year, a certification shall be obtained from the Department of Finance that sufficient money either is available in funds authorized for the University of California or may be made available from the appropriation in this item to meet the cost of such increases.	29,478,301

Item		Amount
356—For support of Institute of Transportation and Traffic Engineering, University of California, exempt from Section 31 of this act, payable from the Transportation Planning and Research Account, State Transportation Fund		310,000
357—For research in mosquito control, University of California, exempt from Section 31 of this act, payable from the California Water Fund		100,000
358—For maintenance of plant and for replacement of instructional equipment, University of California, payable from the Capital Outlay Fund for Public Higher Education, exempt from Section 31 of this act		2,500,000
provided, that no expenditures shall be made for deferred maintenance from this appropriation unless an equal contribution is made by the university from funds not appropriated in this act; provided further, that the money appropriated for expenditure by this item shall be available only if the total allocation for deferred maintenance in 1976–77 made by the university from funds not appropriated in this act is not less than the estimated 1975–76 expenditure level of $2,000,000.		
359—For support of Hastings College of Law		3,554,273
Schedule:		
(a) Personal services	3,398,557	
(b) Operating expenses and equipment	1,948,230	
(c) Minor capital outlay	50,000	
(d) Reimbursements	−1,235,684	
(e) Federal funds	−606,830	
360—For support of Trustees of the California State University and Colleges and the California State University and Colleges		576,326,000
Schedule:		
(a) Personal services	559,906,931	
(b) Operating expenses and equipment	114,101,527	
(c) Economic opportunity grants	6,129,177	
(d) Innovative projects	1,099,198	
(e) Reimbursements	−77,029,606	
(f) Federal funds	−27,881,227	
provided, that the funds appropriated in this item may be reallocated upon order of the Trustees of the California State University and Colleges subject to being reported to the Department of Finance; provided further, that no instructional faculty positions authorized for the 1976–77 fiscal		

Item		Amount
	year shall be used for administration, administrative assistance, department chairmanships, or noninstructional research; provided further, that in evaluating the impact and effectiveness of the Educational Opportunity Program, the trustees shall address the issues of maintenance of academic standards, persistence to graduation, and success in locating employment; provided further, that the $100,000 for faculty support in nursing programs shall be expended to aid those campuses which incurred extra expenses pursuant to implementation of Section 2786.5 of the Business and Professions Code, and these moneys shall be used to hire faculty to teach special nursing courses for fourth year students who have finished the regular curriculum for a registered nurse in three years; provided further, that the Department of Finance and the Joint Legislative Budget Committee shall receive an annual expenditure report, for each of the 19 campus foundations and the chancellor's office foundation, which shall include (1) a statement of estimated and actual total direct expenditures and total indirect expenditures by major budget categories for each of the two years preceding the budget year and (2) a projection of total direct and indirect expenditures for the budget year; provided further, that the General Fund shall be reimbursed by the foundations for the estimated campus building footage used to support research projects funded by non-General Fund sources with the price per square foot to be based on the annual General Services rental rate; and provided further, that no portion of the funds appropriated in this item for instructionally related activities may be expended for intercollegiate athletics.	
361—For salary increases, to be allocated by the Department of Finance to the Trustees of the California State University and Colleges, in augmentation of appropriations for support or for other purposes, in such amounts as will defray the cost, including staff benefits, of increases in compensation provided for in any increased salary range or rate established on or after July 1, 1976 for the 1976–77 fiscal year by the Trustees of the California State University and Colleges ..... provided, that increases in compensation provided by this item for increased salary ranges for		28,050,220

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positions established for the 1976–77 fiscal year shall not result in total annual salary increases, of more than $28,050,220.		
Before the Trustees of the California State University and Colleges establish any increased salary range or rate for the 1976–77 fiscal year, a certification shall be obtained from the Department of Finance that sufficient money either is available in funds authorized for the California State University and Colleges or may be made available from the appropriation in this item, to meet the cost of such increases.		
362—For support of California Maritime Academy		1,944,095
Schedule:		
(a) Personal services	1,836,280	
(b) Operating expenses and equipment	1,123,301	
(c) Minor capital outlay	60,000	
(d) Reimbursements	−687,568	
(e) Federal funds	−387,918	
363—For support of Board of Governors of the California Community Colleges		1,805,970
Schedule:		
(a) Personal services	2,562,503	
(b) Operating expenses and equipment	943,555	
(c) Reimbursements	−1,250,088	
(d) Amount payable from Community Colleges Credentials Fund....	−450,000	
364—For support of the credentials office of the Board of Governors of the California Community Colleges, payable from the Community Colleges Credential Fund		450,000
provided, that as of June 30, 1977, if the unencumbered balance of the Community Colleges Credentials Fund exceeds $50,000, the amount of such balance in excess of $50,000 shall revert to the unappropriated surplus of the General Fund.		
365—For community college extended opportunity programs and services, Board of Governors of the California Community Colleges, conducted under the provisions of Chapter 9 (commencing with Section 42000) of Division 25 of the Education Code		11,484,027
provided, that the Board of Governors shall allocate funds on a priority basis and only to local programs which have the greatest need for student financial aid and services and which demon-		

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strate program effectiveness with 60 percent weight given to student need and 40 percent to effectiveness.

366—(a) In lieu of the amounts which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1976–77 fiscal year pursuant to subdivision (a) and subdivision (b) of Section 17301.12 of the Education Code, there is hereby appropriated for transfer by the State Controller during the 1976–77 fiscal year from the General Fund in the State Treasury to Section B of the State School Fund, such sums as needed, in addition to the sums accruing to Section B of the State School Fund from other sources, as shall provide in Section B of the State School Fund for apportionment pursuant to Chapter 1 (commencing with Section 17151), Chapter 2 (commencing with Section 17300), and Chapter 3 (commencing with Section 17601), of Division 14 of the Education Code, during the 1976–77 fiscal year, an amount not to exceed six hundred thirty-seven dollars and forty-five cents ($637.45) per pupil in average daily attendance during the preceding fiscal year credited for purposes of state apportionments to all community colleges in the state as certified by the Chancellor of the California Community Colleges.

(b) In lieu of the schedule of expenditures prescribed by Sections 17303.1 and 17303.6 of the Education Code, the amount to be transferred to Section B of the State School Fund for the 1976–77 fiscal year pursuant to subdivision (a) of this item shall be expended during such fiscal year in accordance with the following schedule:

(1) Six hundred twenty-five dollars and twenty-six cents ($625.26) multiplied by the total average daily attendance credited to community college districts for state apportionment purposes during the preceding fiscal year for basic aid and equalization aid to be apportioned to community college districts on account of average daily attendance.

(2) Five dollars and eighty-five cents ($5.85) multiplied by total average daily attendance credited to community college districts for state apportionment purposes during the preceding fiscal year for the purposes of Chapter 8 (commencing

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with Section 6801) and Chapter 9 (commencing with Section 6901), of Division 6, and Sections 18060 and 18062, of the Education Code.

(3) One dollar and seventy-six cents ($1.76) multiplied by the total average daily attendance credited to community college districts for state apportionment purposes during the preceding fiscal year for the purposes of Chapter 7.1 (commencing with Section 6750) of Division 6.

(4) One dollar and seventy-six cents ($1.76) multiplied by the total average daily attendance credited to community college districts for state apportionment purposes during the preceding fiscal year for the purposes of Article 10 (commencing with Section 18051) of Chapter 3 of Division 14.

(5) Two dollars and eighty-two cents ($2.82) multiplied by the average daily attendance during the preceding school year credited for purposes of state apportionments to all community college districts for the purpose of Article 12 (commencing with Section 18151) of Chapter 3 of Division 14.

(c) (1) Of the amounts appropriated in subdivision (a) for the purpose of this item, and except as provided in subdivision (d), the chancellor shall apportion to community college districts state aid adjusted for the 1976–77 fiscal year foundation program increases for not more than 105 percent of the second principal apportionment average daily attendance credited to community college districts for purposes of state apportionments in the 1975–76 fiscal year for each of the following programs:

(aa) Defined Adults.

(bb) Other than Defined Adults.

A community college district which annexed territories effective on either or both July 1, 1975, and July 1, 1976, shall have the students from those territories added by the chancellor's office to its base average daily attendance prior to determining the 105-percent growth for the current fiscal year. The average daily attendance of students credited on either or both the 1974–75 and 1975–76 second principal apportionment to districts other than the newly established district of residence shall have such students deducted by the chancellor's office from its average daily attendance base.

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(2) A community college district may exceed the apportionment limit in either the defined adult or other than defined adult programs; provided that the total combined amount of state aid apportioned for both programs does not exceed the overall apportionment limits provided in paragraph (1) of subdivision (c). the overall apportionment limits provided for in subdivision (c) (1).

(3) If funds remain after the apportionment of state aid pursuant to this subdivision because some programs do not expand to 105 percent of the 1975–76 second principal apportionment average daily attendance, such funds may be apportioned to community college districts for programs which will exceed the apportionment limit or for programs specified in subdivision (d).

(d) Of the amounts appropriated pursuant to subdivision (a) of this item not more than $5,000,000 may be expended for new programs in community college districts as determined by the chancellor, including, but not limited to, new community college districts, community college districts with new campuses, and community colleges with annexed territory and special programs under exceptional circumstances as determined by the chancellor. The chancellor shall provide a quarterly report to the Chairman of the Joint Legislative Budget Committee and the Director of Finance on the expenditures made pursuant to this subdivision.

(e) This item shall not be interpreted to impose a limitation upon enrollment.

(f) No amount shall be expended pursuant to this item unless the courses for which such expenditures are made have been approved pursuant to Section 25516.5 of the Education Code.

(g) In determining the amount of state aid to be apportioned for defined adults, the chancellor's office shall use in the defined adult apportionment formulas only that ADA allowed under the limits provided in subdivisions (c) and (d) of this item.

367—For support of Student Aid Commission			2,386,760
Schedule:			
(a) Personal services		1,460,438	
(b) Operating expenses and equipment		963,694	

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	(c) Amount payable from the State Guaranteed Loan Reserve Fund (Item 370)	−37,372
368—For scholarship awards in the Competitive Scholarship Program under provisions of Chapter 4 (commencing with Section 41000) of Division 25 of the Education Code, Student Aid Commission Schedule:		45,797,178
	(a) Awards	49,574,649
	(b) Federal funds	−3,777,471
provided, that upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 369.		
Provided further, that the Student Aid Commission shall develop and implement a plan whereby costs of student awards shall be effectively controlled within the amount appropriated; provided further, that implementation of the cost-control plan shall be effective prior to announcement of renewal awards for the 1976–77 academic year after submission of the plan to the Chairman of the Joint Legislative Budget Committee.		
369—For grant awards and graduate fellowship awards under provisions of Chapter 5 (commencing with Section 41200), Chapter 6 (commencing with Section 41400), and Chapter 10 (commencing with Section 42200), of Division 25 of the Education Code, for awards under provisions of Sections 2193.75 through 2193.78 of the Business and Professions Code, and for scholarship awards under provisions of Section 4709 of the Labor Code, Student Aid Commission		15,649,025
Schedule:		
	(a) College opportunity grant program	14,846,821
	(b) Fellowships for graduate study ..	2,000,000
	(c) Occupational education and training grant program	1,596,964
	(d) Clinical training program	300,000
	(e) Dependents of deceased or disabled peace officers program	15,000
	(f) Federal funds	−3,109,760
provided, that upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 368.		
Provided further, that the Student Aid Commis-		

Item		Amount
	sion shall develop and implement a plan whereby costs of student awards shall be effectively controlled within the amount appropriated; provided further, that implementation of the cost-control plan shall be effective prior to announcement of renewal awards for the 1976–77 academic year and after submission of the plan to the Chairman of the Joint Legislative Budget Committee; provided further, that the Student Aid Commission, in granting fellowships for graduate study, shall give high priority to students who are disadvantaged, as defined by the commission pursuant to Section 42202 of the Education Code.	
370—For support of Student Aid Commission, the sum of $37,372 is appropriated from the State Guaranteed Loan Reserve Fund		(37,372)

CAPITAL OUTLAY SECTION

SEC. 2.2. The following sums of money, or so much thereof as may be necessary, unless otherwise provided herein, are hereby appropriated for expenditure during the 1976–77, 1977–78 and 1978–79 fiscal years, except that appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1976–77 fiscal year and except that every appropriation made by this section for construction that has not been approved by the State Public Works Board on or before June 30, 1977, shall revert as of that date. All such appropriations, unless otherwise herein provided, shall be paid out of the General Fund in the State Treasury.

GENERAL GOVERNMENT

General Administration

371—For capital outlay, State Board of Equalization .. Schedule:		237,630
(a) Purchase leased facility—Covina..	237,630	

Unallocated

372—For project planning, to be allocated by the Department of Finance, to state agencies ..... The amount appropriated in this item is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future fiscal year.		87,096
Notwithstanding the provisions of Section 2.2, the amount appropriated by this item is available		

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for expenditure during the 1976–77, 1977–78 and 1978–79 fiscal years.

AGRICULTURE AND SERVICES

373—For capital outlay, Department of General Services 21,397,500

Schedule:

(a) Planning and construction—new state building, Sacramento (Site No. 1—phase A) 14,238,500

provided, that prior to approval by the State Public Works Board of preliminary plans and allocation of funds for working drawings appropriated by this subitem, the following conditions shall be met:

(1) A panel of three certificated architects shall review the architectural design and features of the proposed building and its relationship to existing and proposed development in the Sacramento Capitol area. The members of the panel shall not be involved in the preliminary design of the building and shall be selected by the Joint Legislative Budget Committee from a list of persons recommended jointly by the Legislative Analyst and the State Architect. Not more than $1,000 of this appropriation shall be used for this review.

(2) A panel of three persons knowledgeable in the field of thermodynamics, mechanical system design, or solar system design, or any combination of such subjects, shall review the energy aspects of the proposed building and shall submit a written report to the Joint Legislative Budget Committee detailing the adequacy of each energy aspect and include recommendations regarding each. The members of the panel shall not be involved in the preliminary design of the building and shall be selected by the Joint Legislative Budget Committee from a list of persons recommended by the Legislative Analyst. Not more than $6,000 of this appropriation shall be used for this review.

(3) The Director of General Services shall submit to the members of the Joint Legislative Budget Committee and the Legislative Analyst (a) an itemized cost/benefit analysis for each aspect of energy conservation measures to be included in the proposed building, (b) total life cycle cost analysis of the building, itemizing all

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operational and maintenance costs, and (c) the final preliminary plans. This information shall be furnished to the legislative members and the Legislative Analyst at least 30 days prior to scheduling the preliminary plans for submission to the State Public Works Board.

Provided, further, that the Director of Finance may not authorize the augmentation of the appropriation made by this item, and the State Public Works Board may not approve such an augmentation, pursuant to Section 16409 of the Government Code or any other provisions of law or this act, in excess of the construction cost increase, as reflected in the current construction cost index published in the most recently available edition of the "Engineering News Record." Any additional funds in excess of such cost increase shall be provided only by appropriation by the Legislature.

(b) Land acquisition—new state building and parking garage, Sacramento (Site No. 1—phase B) 1,250,000

(c) Planning—new state building and parking garage, Sacramento (Site No. 1—phase B) 837,000

(d) Planning—Sacramento area development 500,000

(e) Land acquisition—new Department of Justice Building, Sacramento 2,600,000

provided, that the funds appropriated by this subitem may not be expended unless and until the Director of General Services receives a certified, written agreement from the owner or owners of the property at 33rd and "C" Streets in Sacramento (or from the owner or owners of an economically comparable Sacramento site that is approved by the Departments of Justice and General Services) to sell such property to the state within available funds and without condemnation.

(f) Planning—new Department of Justice Building, Sacramento 933,300

provided, that if the agreement described in subitem (e) is not obtained, the funds appropriated by this subitem may not be expended unless the proposed facilities of the Department of Justice are located on the site of the California Highway Patrol Academy on Meadowview Road, Sacra-

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mento, and the State Architect begins the planning phase for locating the buildings on the Meadowview site.		
(g) Alterations—State Compensation Insurance Fund Building, San Francisco	823,700	
(h) Alterations, state building, San Francisco	200,000	
(i) Planning—automated central control monitoring system, central heating and cooling plant, Sacramento	15,000	
373.1—For capital outlay, Department of General Services		1,500,000
Schedule:		
(a) Water supply system, central heating and cooling plant, Sacramento	1,500,000	
provided, that prior to July 1, 1976, the Director of General Services has determined the method for providing the water supply to the central heating and cooling plant, Sacramento, and has submitted, to the Joint Legislative Budget Committee, a detailed description of the proposed method and its advantages over other alternatives.		
374—For capital outlay, Department of Veterans Affairs		218,125
Schedule:		
(a) Modifications to sewage treatment plant	76,875	
(b) Air-condition surgical suite	141,250	

BUSINESS AND TRANSPORTATION

TRANSPORTATION

375—For capital outlay, Department of Transportation, payable from the California Environmental Protection Program Fund	75,000
376—For capital outlay, Department of Transportation, payable from federal funds deposited in the State Highway Account, State Transportation Fund, for the purposes specified in the provisions of Chapter 1470, Statutes of 1974	(14,000,000)
provided, that the funds appropriated in this item may be transferred upon order of the Department of Finance to subitem (a) or (b) in Item 205, Budget Act of 1976, for local assistance, Department of Transportation.	

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377—For capital outlay, Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		2,619,591
Schedule:		
(a) Construction program planning ..	10,000	
(b) Communications program	1,129,937	
(c) Los Angeles communications center—construction	1,084,226	
provided, that prior to Public Works Board approval for construction, an environmental impact report has been prepared in accordance with the California Environmental Quality Act.		
(d) Purchase leased facility—Bridgeport	70,700	
(e) Purchase leased facility—Indio	90,900	
(f) Purchase leased facility—Victorville	233,828	
378—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		2,056,108
Schedule:		
(bx) Construct office building and parking facilities—Santa Rosa	1,062,500	
(c) Construct office building and parking facilities—Santa Cruz (Capitola)	779,172	
(d) Purchase office building and parking facilities—Turlock	88,436	
(e) Purchase office building and parking facilities—Hollister	126,000	

RESOURCES

379—For capital outlay, Department of Conservation		2,065,991
Schedule:		
(a) Land acquisition and working drawings—Hollister forest fire station	58,000	
(c) Land acquisition—statewide opportunity purchases	5,000	
provided, that the funds appropriated by this subitem shall be available for expenditure only during the 1976–77 fiscal year.		
(d) Construct Fort Bragg forest fire station and state forest headquarters	468,460	
(e) Equip Fort Bragg forest fire station and state forest headquarters	4,096	

Item		Amount
(f) Construct Westwood forest fire station	320,440	
(g) Equip Westwood forest fire station	14,742	
(h) Construct Big Creek forest fire station	240,649	
(i) Construct Valley Springs forest fire station	159,889	
(j) Construct Los Banos forest fire station	388,970	
(k) Equip Los Banos forest fire station	2,592	
(*l*) Construct Corralitos forest fire station	344,670	
(m) Equip Corralitos forest fire station	5,433	
(n) Master Plan—Davis equipment facility	9,800	
(o) Land acquisition—Almaden forest fire station	40,000	
(p) Equip Big Creek forest fire station	3,250	
380—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund		150,000
Schedule:		
(a) Construct not fewer than three settling ponds, statewide	150,000	
381—For capital outlay, Department of Navigation and Ocean Development, the sum of $911,490 appropriated from the Harbors and Watercraft Revolving Fund		(911,490)
Schedule:		
(a) Preliminary planning, statewide ..	20,000	
The amount appropriated in this item is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future years.		
(b) Construct launching ramp, Castaic Lake	161,490	
(c) Improvements to launching ramp, Millerton Lake State Recreation Area	110,000	
(d) Construct boater use facilities, Pyramid Lake	620,000	
382—For capital outlay, Department of Parks and Recreation, Hearst San Simeon State Historical Monument, payable from funds accumulated under the provisions of Item 257, Budget Act of 1969; Item 214, Budget Act of 1970; Item 208, Budget Act of		

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1971; Item 212, Budget Act of 1972; Item 228, Budget Act of 1973; Item 274, Budget Act of 1974 and Item 252, Budget Act of 1975		405,000
383—For capital outlay, Department of Parks and Recreation, payable from the Park and Recreation Revolving Account, General Fund		100,376
Schedule:		
(a) Tahoe City Public Utility District, sewer intercept buy-in charge	50,376	
(b) Old Town San Diego State Historic Park, Mission Playhouse, working drawings	50,000	
384—For capital outlay, Department of Parks and Recreation, payable from the San Francisco Maritime State Historic Park Account in the General Fund		35,000
Schedule:		
(a) Acquisition, Tugboat Hercules	35,000	
385—For capital outlay, Department of Parks and Recreation, subject to the approval of the State Public Works Board, payable from the Bagley Conservation Fund, notwithstanding the provisions of Section 316, Chapter 1, Statutes of 1971, First Extraordinary Session		120,000
Schedule:		
(a) Design and construction planning	120,000	
386—For capital outlay, Department of Parks and Recreation, payable from the Collier Park Preservation Fund		7,565,700
Schedule:		
(a) Big Basin Redwoods State Park, land acquisition	26,000	
(b) Castle Rock State Park, land acquisition	52,000	
(c) Cuyamaca Rancho State Park, land acquisition	600,000	
(d) Fort Ross State Historic Park, construct visitors center	612,700	
(e) Jack London State Historic Park, land acquisition	300,000	
(f) MacKerricher State Park, sewage system augmentation	95,000	
(g) MacKerricher State Park, underpass construction augmentation	60,000	
(h) McArthur-Burney Falls Memorial State Park, land acquisition	300,000	
(i) China Camp, Marin County, land acquisition	2,250,000	
provided, that no funds appropriated by this sub-		

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	item may be encumbered until the County of Marin has signed an agreement with the Department of Parks and Recreation for the development, care, maintenance, and control of China Camp by the county and at no cost to the state.	
	(j) Monterey State Historic Park, land acquisition	564,000
	provided, that no funds appropriated by this subitem shall be expended until an area-of-interest plan for downtown Monterey is approved by the City of Monterey and the Department of Parks and Recreation.	
	(k) Truckee River Outlet (Fanny Bridge), Placer County, land acquisition	350,000
	(*l*) Acquisition costs	150,000
	(m) Opportunity purchases.....	250,000
	(n) Huntington State Beach, acquisition	1,250,000
	(o) Lake Oroville State Recreation Area, Lime Saddle Day Use Area, working drawings	56,000
	(p) American River Trail, acquisition and development.....	650,000
	provided, that the appropriation made for opportunity purchases shall be expended only for small parcels that were not available to the state approximately six months prior to July 1, 1976; and provided, further, that none of the funds appropriated for acquisition of parklands by this item shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for post audit on a selective basis by the Attorney General.	
387—For capital outlay, Department of Parks and Recreation, payable from the State Park Contingent Fund		0
	Schedule:	
	(a) Benbow Lake State Recreation Area land acquisition	50,000

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	(b) Castle Rock State Park land acquisition	30,000
	(c) Cuyamaca Rancho State Park land acquisition	900,000

provided, that none of the funds appropriated by this subitem may be expended unless and until the owners of the property commonly referred to as Sweetwater River Canyon-Merrigan Ranch agree to donate one-half of the value of the property, as appraised for purchase, and agree to grant title to the full fee in the entire property; and provided, further, that if the preceding conditions are satisfied, the department shall expend, of the total amount appropriated by this subitem, only an amount that does not exceed one-half of the value of the property, as appraised for purchase.

	(d) Zmudowski State Beach land acquisition	20,000
	(e) Reimbursement from the Federal Land and Water Conservation Fund	−980,000
	(h) Reimbursement from the title company	−20,000

provided, that none of the funds appropriated for acquisition of parklands by this item shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for post audit on a selective basis by the Attorney General.

388—For land, easements and rights-of-way, including but not limited to, borrow pit, spoil areas and easements for levees, clearing, flood control works and flowage, and for appraisals, surveys, and engineering studies necessary for the completion or operation of the following projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Sections 12570 through 12875 of the Water Code; and for advances to the federal government or payments to the federal government or others for incidental construction or

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	reconstruction items which are an obligation of the state in connection with the completion or operation of the aforesaid projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works and other structures and facilities and for appraisals, surveys and engineering studies incident thereto, to the Department of Water Resources		3,000,000
	Schedule:		
	(a) Sacramento River and tributaries flood control project	72,000	
	(b) Fairfield flood control project	1,360,000	
	(c) Chester, North Fork Feather River flood control project	50,000	
	(d) San Joaquin River and tributaries flood control project	18,000	
	(e) Fresno River flood control project	50,000	
	(f) Chowchilla River flood control project	50,000	
	(g) Sacramento River bank protection project	1,400,000	
	notwithstanding the provisions of Section 2.2 of this act, the amount in this item shall be available for expenditure only during the 1976–77 fiscal year; and provided further, that this item shall be exempt from the provisions of Section 7 of this act.		
389	For capital outlay, Department of Water Resources		295,000
	Schedule:		
	(a) Telemetry station replacement	230,000	
	(b) Sutter maintenance building and improvements	65,000	
	HEALTH AND WELFARE		
390	For capital outlay, Department of Health		10,595,276
	Schedule:		
	(a) Statewide: Fire and life safety	8,117,793	
	Agnews State Hospital:		
	(1) RTC building working drawings and construction	830,734	

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	(2) Buildings 51-52-53 preliminary planning and working drawings.....	160,059
	Atascadero State Hospital:	
	(3) Wards 1 and 2 preliminary planning and working drawings	25,333
	Camarillo State Hospital:	
	(4) RTC building working drawings and construction ..	857,000
	(5) Buildings 60-61, 64, 66-67 working drawings and construction.....	393,904
	(6) Buildings 41-42, 47-49, 51-53, 55, 57 children's unit preliminary plans and working drawings	50,070
	(7) Buildings 44, 58-59, 36-37 preliminary plans and working drawings.....	38,360
	Fairview State Hospital:	
	(8) RTC building working drawings	17,786
	(9) Units D, E and F preliminary plans and working drawings	35,553
	(10) Unit B preliminary plans and working drawings	51,330
	(11) Unit K preliminary plans and working drawings	29,214
	(12) Unit 5 and 5-51 preliminary plans..	16,350

Item		Amount
	(13) Unit U preliminary plans	6,400
	Metropolitan State Hospital:	
	(14) RTC 100 Series working drawings and construction ..	1,273,232
	(15) 400 Series wards working drawings and construction ..	659,968
	(16) Unit 302 preliminary plans and working drawings	12,333
	(17) Unit 206-208 preliminary plans and working drawings	15,200
	(18) Unit 205-207 preliminary plans.....	9,600
	(19) Unit 202-204 preliminary plans.....	9,600
	(20) Unit 407, 409, 411, 413 and 415 preliminary plans.....	20,615
	(21) Unit 301 preliminary plans	9,600
	Napa State Hospital:	
	(22) RTC building working drawings	19,315
	(23) Unit 195 preliminary plans and working drawings	40,136
	(24) Units 254, 255 and 256 preliminary plans and working drawings.....	14,196
	(25) Units 196, 197 and 198 preliminary plans	53,948
	(26) Units 253 and 257 preliminary plans..	10,673
	Pacific State Hospital:	
	(27) RTC #14 working drawings and construction	1,140,685
	(28) Buildings 2, 3, 16,	

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17, 20, 21, 22 and 24 preliminary plans and working drawings	45,625
(29) Units 1, 4, 5, 23, 25, 27, 31, 32 and 40 preliminary plans..	46,218
Patton State Hospital:	
(30) R&T building working drawings and construction ..	465,419
(31) Building 20 preliminary plans and working drawings	79,026
(32) Building 30 preliminary plans and working drawings	79,026
(33) Building U preliminary plans and working drawings	24,574
(34) Building N preliminary plans.....	38,038
(35) Building R preliminary plans.....	11,737
Porterville State Building:	
(36) RTC building working drawings	12,350
(37) M Units 2, 4, 6, 7, 8, 9, 10 and 11 F Units 10, 17, and 18 preliminary plans and working drawings	71,107
(38) M Units 5, 12, 13, 15 and 18, F Units 5, 7, 8 and 9 preliminary plans.....	40,900
Sonoma State Hospital:	
(39) Nelson Building working drawings	5,343
(40) Fredrickson Building preliminary plans and working drawings.....	24,660

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	(41) Regamy, Emparan, Johnson. Ordahl, Comm. Deceases, Brent, Lathrup, Stoneman, Poppe, Cromwell, Tillman, and Judah preliminary plans and working drawings	84,030	
	(42) Bemis, Cohen, Butler and Lux preliminary plans..	29,000	
	(43) Powers and Parmelle preliminary plans	14,215	
	Stockton State Hospital:		
	(44) RTC building working drawings and construction ..	1,161,601	
	(45) Cottage G working drawings	24,880	
	(46) Building E preliminary plans	46,050	
	(47) Building C preliminary plans	12,800	
(b)	Statewide: Emergency power, Phase I		1,731,297
(c)	Statewide: Emergency power, Phase II preliminary planning		40,000
(d)	Public Health Building—Berkeley		
	(1) Third floor alterations	456,600	
	(2) Second and fifth floor—preliminary drawings and estimates	39,850	
(e)	Napa State Hospital—construction of sanitary sewer treatment plant		209,736

provided, that no funds shall be expended from subitem (a) unless and until the Department of Health receives approval from the Department of Finance to make necessary and specified corrections of fire and life safety deficiencies; provided

Item			Amount
	further, that prior to initiation of working drawings, the Department of Health shall seek a waiver of any code accreditation requirements which exceed state code requirements.		
391—For capital outlay, Employment Development Department, in accordance with the following schedule, payable from the Employment Development Department Contingent Fund			185,000
	Schedule:		
	(a) Site acquisition—San Luis Obispo office	120,000	
	(b) Site acquisition—Merced parking lot	50,000	
	(c) Preliminary planning	15,000	
392—For capital outlay, Department of Employment Development, for the purposes listed below, payable from moneys credited to this state's account in the Unemployment Trust Fund and made available to this state under Section 903 of the Social Security Act, as amended			(117,110)
	(b) Site acquisition—Modesto office	100,000	
	(c) Working drawings—Merced office building	17,110	
	provided that:		
	(a) Such money is requisitioned from the Unemployment Trust Fund pursuant to Section 1528.5 of the Unemployment Insurance Code.		
	(b) The period within which such money may be obligated is specifically limited to the period beginning on the effective date of this act and ending June 30, 1978.		
	(c) The total amount obligated pursuant to this item during the 1976–77 fiscal year shall not exceed the amount by which		
	(1) The aggregate of the amounts credited to the account of this state pursuant to Section 903 of the Social Security Act during such fiscal year and the 24 preceding fiscal years, exceeds		
	(2) The aggregate of the amounts obligated for administration and paid out for benefits and charged against the amounts		

Item			Amount
	credited to the account of this state during such 25 fiscal years.		
393—For capital outlay, Department of Corrections....			2,471,050
Schedule:			
	California Men's Colony:		
(a)	Remodel sewage plant.....	100,000	
(b)	Rebuild reservoirs.....	375,600	
	California Conservation Center:		
(c)	Remodel or replace sewage plant	306,250	
	San Quentin State Prison:		
(d)	Remodel sewage plant.....	338,200	
	Correctional Training Facility:		
(e)	Rehabilitate electrical system	870,000	
	California Institution for Men:		
(f)	Construct milking facility	481,000	
394—For capital outlay, Department of the Youth Authority.....			391,900
Schedule:			
	Preston School of Industry:		
(b)	Rehabilitate Industrial Water System	271,900	
	Southern California Reception Center and Clinic:		
(e)	Provide warehouse addition.....	120,000	

EDUCATION

HIGHER EDUCATION

396—For capital outlay, University of California, subject to the approval of the State Public Works Board, payable from the Capital Outlay Fund for Public Higher Education; provided that withdrawals shall be as required to meet current obligations as certified by the University of California, in accordance with the following schedule..... 8,586,000

Schedule:

Universitywide:

(1) Project programming and preliminary plans, general campuses..... 200,000

provided, that funds appropriated in this subitem shall be released only for those major capital outlay projects for working drawings or working drawings and construction, which are anticipated to be included in the 1977–78 Governor's Budget, except that a maximum of $75,000 shall be available for expenditure on July 1, 1976, for utility and

Item		Amount
	site development of major capital outlay projects, and for development of benefit/cost analyses of planning alternatives for proposed 1978–79 capital outlay projects.	
(2)	Engineering and environmental studies	200,000
	Los Angeles Campus:	
(3)	Equip life sciences, unit 3	470,000
	Santa Cruz Campus:	
(4)	Equip library, unit 2	156,000
	Davis Campus:	
(5)	Equip fire and police station	110,000
	Santa Barbara Campus:	
(6)	Equip library addition	405,000
	San Diego Marine Sciences:	
(7)	Equip S10—Marine biology instruction and research building	380,000
(8)	Equip S10—library building	154,000
	Santa Barbara Campus:	
(9)	Equip library alterations	137,000
	Davis Campus:	
(10)	Construct electrical generating facilities	435,000
	Berkeley Campus:	
(11)	Working drawings and construct fire alarm system additions, Step 2	305,000
(12)	Working drawings and construct utilities and expansion	672,000
	Davis Campus:	
(13)	Working drawings and construct fire protection, 1976–77	137,000
	Berkeley Campus:	
(14)	Working drawings facilities control system	89,000
	Davis Campus:	
(15)	Working drawings and construct energy conservation project	393,000
(16)	Working drawings central control system	70,000
	Los Angeles Campus:	
(17)	Working drawings central control system	70,000
	San Diego Campus:	
(18)	Working drawings and construct energy conservation project	609,000
	Berkeley Campus:	
(19)	Working drawings and construct Doe Memorial Library alterations	1,112,000

Item		Amount
	Irvine Campus:	
	(20) Working drawings and construct additional elevator—Engineering building	163,000
	Riverside Campus:	
	(21) Working drawings and construct humanities alterations	220,000
	Irvine Campus:	
	(22) Working drawings and construct alterations to Physical Sciences I	126,000
	Santa Barbara Campus:	
	(23) Working drawings, construct and equip North Hall alterations for computer center	153,000
	Los Angeles Campus:	
	(24) Working drawings and construct site development, 1976–77	185,000
	Santa Barbara Campus:	
	(25) Working drawings and construct site development, 1976–77	134,000
	Irvine Campus:	
	(26) Working drawings and construct dewater below-grade structures	184,000
	San Francisco Health Sciences:	
	(27) Working drawings and construct Langley-Porter Neuropsychiatric Institute alterations, Step 2A	987,000
	Davis Health Sciences:	
	Santa Cruz Campus:	
	(28) Working drawings, construct and equip completion of applied sciences building	330,000
	provided, that notwithstanding the provisions of Section 2.2 of this act, the appropriation made in this item for equipment items shall be available for expenditure only during the 1976–77 and 1977–78 fiscal years.	
397	—For capital outlay, University of California, minor projects to be allocated to the University of California, payable from the Capital Outlay Fund for Public Higher Education	4,000,000
	provided, that notwithstanding the provisions of Section 2.2 of this act, the funds in this item shall be available for expenditure only during the 1976–77 fiscal year.	
398	—For capital outlay, University of California, to be allocated subject to the approval of the State Pub-	

Item		Amount
	lic Works Board, payable from the Capital Outlay Fund for Public Higher Education	3,200,000
	provided, that withdrawals shall be as required to meet current obligations as certified by the University of California.	
	San Diego Marine Sciences:	
	(1) Preliminary plans, working drawings and construct replacement of R/V Agassiz 3,200,000	
399	—For capital outlay, Trustees of the California State University and Colleges, subject to the approval of the State Public Works Board, payable from the Capital Outlay Fund for Public Higher Education	29,637,000
	provided, that withdrawals shall be as required to meet current obligations as certified by the Trustees of the California State University and Colleges.	
	Schedule:	
	Statewide—Trustees of the California State University and Colleges:	
	(1) Campus master planning 190,000	
	(2) General studies 50,000	
	(3) Preliminary planning—1977–78 projects 100,000	
	provided, that the funds appropriated in this subitem shall be released only for those major capital outlay projects for working drawings or working drawings and construction, which are anticipated to be included in the 1977–78 Governor's Budget, except that a maximum of $75,000 shall be available for expenditure on July 1, 1976, for utility and site development of major capital outlay projects.	
	State University, Humboldt:	
	(4) Working drawings and construct utilities to library addition 212,000	
	State College, Bakersfield:	
	(6) Equip initial cafeteria 81,000	
	(7) Equip science building II 350,000	
	State College, Dominguez Hills:	
	(8) Equip classroom office building .. 318,000	
	(9) Equip theatre arts building 289,000	
	State University, Humboldt:	
	(10) Equip library addition 500,000	
	State University, Long Beach:	
	(11) Equip industrial technology building 500,000	

Item	Amount
(12) Equip old administration building conversion	68,000
State College, San Bernardino:	
(13) Equip Creative Arts building	420,000
State University, San Diego:	
(14) Equip humanities classroom building	225,000
State Polytechnic University, San Luis Obispo:	
(15) Equip architectural classroom building	403,000
State University, Fresno:	
(16) Equip science building	500,000
State Polytechnic University, Pomona:	
(17) Equip science building	600,000
State University, San Francisco:	
(18) Equip library addition	90,000
State University, San Jose:	
(19) Equip science 2, phase II	423,000
Statewide—Trustees of the California State University and Colleges:	
(20) Preliminary plans, working drawings, construction, and equipment to remove architectural barriers to the handicapped	500,000
State College, Bakersfield:	
(22) Construct fine arts building (little theatre)	1,791,000
State College, Dominguez Hills:	
(23) Construct physical education facility	4,007,000
State University, Fresno:	
(24) Working drawings and construct library III	4,973,000
State College, Sonoma:	
(25) Construct library addition	2,696,000
State University, Sacramento:	
(26) Construct classroom office building	4,077,000
State University, Humboldt:	
(27) Construct marine laboratory addition	589,000
State College, Stanislaus:	
(27.1) Construct physical education facility	2,300,000

Item		Amount
State University, Fullerton:		
(27.2) Construct arts building addition	2,231,000	
State University, Humboldt:		
(28) Construct for converting laboratory school	518,000	
State University, San Francisco:		
(29) Equip administration building addition	318,000	
State University, Sacramento:		
(30) Equip and convert existing library	318,000	
provided, that notwithstanding the provisions of Section 2.2 of this act, the appropriations made in this item for equipment items shall be available for expenditure only during the 1976–77 and 1977–78 fiscal years.		
400—For capital outlay, Trustees of the California State University and Colleges, minor projects to be allocated to the California State University and Colleges, payable from the Capital Outlay Fund for Public Higher Education		4,000,000
provided, that notwithstanding the provisions of Section 2.2 of this act, the funds in this item shall be available for expenditure only during the 1976–77 fiscal year.		
401—For capital outlay, California Maritime Academy, subject to the approval of the State Public Works Board, payable from the Capital Outlay Fund for Public Higher Education, notwithstanding the provisions of Sections 22510 and 22512 of the Education Code		243,100
Schedule:		
(1) Preliminary plans and working drawings for corporation yard, phase II	15,000	
(2) Construct mechanical utilities system	219,600	
(3) Planning for electrical distribution system, area and street lighting	2,000	
(4) Planning for welding laboratory facility	6,500	

CALIFORNIA COMMUNITY COLLEGE CONSTRUCTION PROGRAM BOND ACT

CAPITAL OUTLAY

SEC. 2.4. The following sums of money, or so much thereof as

Item Amount

may be necessary, are hereby appropriated for expenditure during the 1976–77, 1977–78 and 1978–79 fiscal years only for those programs which have been approved pursuant to the provisions of Chapter 1550, Statutes of 1967 (Community College Construction Act of 1967), and contemplated by the Community College Construction Program Bond Act of 1976 (Chapter 1066, Statutes of 1975), and only if the bond act is approved by the people. All such appropriations shall be paid out of the Community College Construction Program Fund, which is hereby created; except, that in the event of the Community College Construction Program Bond Act of 1976 (Chapter 1066 of the Statutes of 1975) is not approved by the people, all such appropriations shall be paid out of the Capital Outlay Fund for Public Higher Education.

402—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, subject to the prior approval of the State Public Works Board, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts, as set forth in the schedule below, payable from the Community College Construction Program Fund 42,054,500

In the event the Community College Construction Program Bond Act of 1976 (Chapter 1066 of the Statutes of 1975) is not approved by the people, the expenditures set forth in the schedule below shall be payable from the Capital Outlay Fund for Public Higher Education.

Schedule:

	Grossmont Community College District, Monte Vista College:	
(1)	Construct power plant and maintenance facility	497,700
(2)	Working drawings and construct site development, Phase II	53,500
	Yuba Community College District, Yuba College:	
(3)	Working drawings and construct campus utilities addition	220,200
	Lassen Community College District, Lassen College:	
(4)	Working drawings and construct second well and water distribution	161,900

Item		Amount
	Grossmont Community College District, Monte Vista College:	
(5)	Working drawings and construct site development, Phase III	210,600
	San Luis Obispo County Community College District, Cuesta College:	
(6)	Working drawings and construct campus roads	205,700
	Sonoma County Community College District, Santa Rosa Junior College:	
(7)	Equip liberal arts building	120,600
	Los Angeles Community College District, Los Angeles Southwest College:	
(8)	Equip permanent facilities, Phase IA	254,800
	West Los Angeles College:	
(9)	Equip classroom and laboratory building	62,700
	Cabrillo Community College District, Cabrillo College:	
(10)	Equip occupational center	191,400
	Peralta Community College District, College of Alameda:	
(11)	Equip library building	242,000
	Allan Hancock Community College District, Allan Hancock College:	
(12)	Equip library addition	200,200
	Los Angeles Community College District, West Los Angeles College:	
(13)	Equip library and audiovisual building	103,300
	Ventura County Community College District, Oxnard College:	
(14)	Equip initial complement of library books	142,300

Item		Amount
(15) Equip site development, Phase I		29,700
Los Angeles Community College District, West Los Angeles College:		
(16) Equip physical education building		11,800
San Diego Community College District, San Diego City College:		
(17) Construct remodeling for safety		289,300
Redwoods Joint Community College District, College of the Redwoods:		
(18) Construct and equip public safety building		747,300
Grossmont Community College District, Monte Vista College:		
(19) Construct vocational technical and arts building		4,663,900
Solano County Community College District, Solano College:		
(20) Construct and equip horticulture building		172,900
Los Angeles Community College District, Los Angeles Harbor College:		
(21) Construct auto technical laboratory addition		31,900
Ventura County Community College District, Moorpark College:		
(22) Working drawings, construct and equip remodel library and science building		208,700
Lassen Community College District, Lassen College:		
(23) Working drawings and construct remodel old science labs		214,700
Peralta Community College District, Laney College:		

Item	Amount
(24) Working drawings, construct and equip remodeling existing building for art	326,300
Merritt College:	
(25) Working drawings and construct remodel old library	296,000
College of the Sequoias Community College District, College of the Sequoias:	
(26) Working drawings, construct and equip remodel south wing of administration building	141,400
Chaffey Community College District, Chaffey College:	
(27) Working drawings, construct and equip auto shop and technical laboratory building	1,021,200
(28) Working drawings and construct vocational education building	946,500
Ventura County Community College District, Oxnard College:	
(29) Working drawings and construct classroom building	1,476,900
Sonoma County Community College District, Santa Rosa Junior College:	
(30) Working drawings and construct environmental science building	1,800,000
Coast Community College District, Orange Coast College:	
(31) Working drawings and construct business education addition	369,100
Golden West College:	
(32) Working drawings and construct educational unit #1	1,776,800
Orange Coast College:	
(33) Working drawings and construct chemistry building	2,210,700
Contra Costa Community College District, Contra Costa College:	

Item		Amount
(34) Working drawings and construct applied arts, administration and maintenance complex	.....	2,550,000
Palomar Community College District, Palomar College:		
(35) Working drawings and construct life and earth science building	....	446,100
(36) Working drawings and construct industrial technology building	.....	1,050,200
Merced Community College District, Merced College:		
(37) Working drawings and construct welding and metal technology building	.....	331,200
Foothill Community College District, De Anza College:		
(38) Construct classroom building	.....	434,700
Santa Barbara Community College District, Santa Barbara City College:		
(39) Working drawings and construct marine technology building	.....	414,600
Peralta Community College District, College of Alameda:		
(40) Working drawings and construct airport facility addition	.....	836,200
Sierra Joint Community College District, Sierra College:		
(41) Working drawings and construct metal shop addition	.....	455,400
Siskiyou Joint Community College District, College of the Siskiyous:		
(42) Working drawings, construct and equip vocational education building	.....	140,600
Sweetwater Community College District, Southwestern College:		
(43) Working drawings and construct technology building #1	.....	449,500

Item		Amount
	College of the Sequoias Community College District, College of the Sequoias:	
(44)	Working drawings, construct and equip welding laboratory	159,700
	Kern Community College District, Bakersfield College:	
(45)	Working drawings, construct and equip trade technical addition.....	269,800
	Ventura County Community College District, Oxnard College:	
(46)	Working drawings and construct learning resources center	1,858,500
	San Jose Community College District, Evergreen Valley College:	
(47)	Working drawings and construct library building	2,017,600
	Santa Monica Community College District, Santa Monica City College:	
(48)	Working drawings and construct library and instructional materials center	3,356,200
	Los Angeles Community College District, East Los Angeles College:	
(49)	Construct library building.....	582,700
	Cerritos Community College District, Cerritos College:	
(50)	Working drawings and construct and remodel old paramedical areas	202,300
(51)	Working drawings and construct auto technology center Phase I....	1,261,800
	Mendocino Community College District, Mendocino College:	
(52)	Site acquisition.....	175,400
(53)	Master planning for permanent facilities	16,700
	Napa Community College District, Napa College:	

Item		Amount
(54)	Working drawings for health occupation, communication, and resources facility	108,200
	Solano Community College District, Solano College:	
(55)	Working drawings and construct multidiscipline buildings	1,136,800
	Contra Costa Community College District, Los Medanas College:	
(56)	Working drawings and construct and remodel allied health and counseling facilities	236,200
	Coast Community College District, Golden West College:	
(57)	Working drawings and construct health science addition No. 1	735,800
(58)	Working drawings, technology addition No. 2	35,000
	Lassen Community College District, Lassen College:	
(59)	Working drawings and construct creative arts building Phase I	2,813,300
	Merced Community College District, Merced College:	
(60)	Working drawings, allied health center	17,400
	Palomar Community College District, Palomar College:	
(61)	Working drawings, library building	95,000
(62)	Working drawings, art and music building addition	24,900
	Riverside Community College District, Riverside City College:	
(63)	Working drawings and construct auto upholstery and motorcycle repair shop	440,700

Item		Amount
Notwithstanding the provisions of Section 2.4 of this act, the equipment items in this item shall be available for expenditure only during the 1976–77 and 1977–78 fiscal years.		

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1964 PROGRAM

SEC. 2.5. The following sums of money, or so much thereof, as may be necessary, unless otherwise provided herein, are hereby appropriated for the 1976–77 fiscal year beginning July 1, 1976, and ending June 30, 1977. Appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1976–77 fiscal year. All such appropriations, unless otherwise herein provided, shall be paid out of the State Beach, Park, Recreational and Historical Facilities Fund of 1964.

CAPITAL OUTLAY

Resources

403—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivision (b) of Section 5096.15 of the Public Resources Code for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1964		491,614
Schedule:		
(a) Design and construction planning	50,000	
(b) Emma Wood State Park, campground development, working drawings	11,290	
(c) Old Sacramento State Historic Park, fencing construction and rail relocation	75,000	
(d) Salt Point State Park, campground development, working drawings	72,500	
(e) Andrew Molera State Park, campground construction	220,624	
(f) San Onofre State Beach, campground, working drawings	62,200	

Reappropriation

404–Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this

Item	Amount

act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations) provided in such appropriations (and any reappropriations), and shall be available for expenditure until June 30, 1977:

Item 362(a), Budget Act of 1965
Topanga Canyon State Park—acquisition
Item 423(c), Budget Act of 1966
Coyote River Parkway—acquisition
Item 423(f), Budget Act of 1966
Refugio State Beach—acquisition
Item 423(m), Budget Act of 1966
Old River Islands—land acquisition
Item 423(q), Budget Act of 1966
Old River Islands—augmentation
Item 423(t), Budget Act of 1966
Santa Monica Mountains—acquisition
Item 422(a), Budget Act of 1969
Statewide—acquisition
Item 423(c), Budget Act of 1969
Refugio State Beach—water supply system, for development
Item 322(b), Budget Act of 1972
Topanga Canyon State Park—acquisition
Item 322(cx), Budget Act of 1972 as added by Chapter 1340, Statutes of 1972
Topanga Canyon State Park—relocation costs
Item 367(e), Budget Act of 1973
Statewide—relocation costs
Item 323A, Budget Act of 1972 as added by Chapter 955, Statutes of 1972
San Onofre State Beach—development
Item 367(b), Budget Act of 1973
San Onofre State Beach—development
Item 381.9(a), Budget Act of 1975
El Capitan State Beach—development

RECREATION AND FISH AND WILDLIFE ENHANCEMENT BOND ACT PROGRAM

SEC. 2.6. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1976–77, 1977–78 and 1978–79 fiscal years for expenditure only for programs contemplated by the Recreation and Fish and Wildlife Enhancement Bond Act, except that appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1976–77 fiscal year. All such appropriations shall be

Item Amount

paid out of the Recreation and Fish and Wildlife Enhancement Fund.

CAPITAL OUTLAY

Resources

405—For capital outlay, Department of Parks and Recreation, for purposes of the Recreation and Fish and Wildlife Enhancement Bond Act, payable from the Recreation and Fish and Wildlife Enhancement Fund 264,509
Schedule:
(a) Design and construction planning 177,409
(b) Lake Perris State Recreation Area, construct campfire center .. 87,100

406—For minor capital outlay, Department of Navigation and Ocean Development, for purposes of the Recreation and Fish and Wildlife Enhancement Bond Act, payable from the Recreation and Fish and Wildlife Enhancement Fund 80,000

407—For capital outlay, Wildlife Conservation Board, Department of Fish and Game, for purposes of the Recreation and Fish and Wildlife Enhancement Bond Act, payable from the Recreation and Fish and Wildlife Enhancement Fund 21,000
Schedule:
(a) Equip Mohave Hatchery 21,000

Reappropriation

408—Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations) provided in such appropriations (and any reappropriations), and shall be available for expenditure until June 30, 1977:
Item 327(g), Budget Act of 1972
Silverwood Lake State Recreation area, Sawpit Canyon area development
Item 375(b), Budget Act of 1973
Lake Perris State Recreation Area development

Item		Amount
Item 375(c), Budget Act of 1973 Silverwood Lake State Recreation Area, West Fork and Mesa areas development		

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

SEC. 2.8. The following sums of money, or so much thereof as may be necessary, unless otherwise provided herein, are hereby appropriated for expenditure during the 1976–77, 1977–78 and 1978–79 fiscal years. Appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1976–77 fiscal year. All such appropriations shall be paid out of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

CAPITAL OUTLAY

Resources

409—For capital outlay, Wildlife Conservation Board, Department of Fish and Game, for purposes set forth in subdivision (d) of Section 5096.85 of the Public Resources Code, for expenditure during the 1976–77, 1977–78 and 1978–79 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		1,000,000
Schedule:		
(a) Acquisition, wild trout, steelhead and salmon habitat	1,000,000	
provided that upon the receipt of any reimbursements applicable to any of the projects in this item from federal land and water conservation funds, such reimbursements shall be credited to this item.		
410—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivisions (b) and (c) of Section 5096.85 of the Public Resources Code, for expenditure during the 1976–77, 1977–78 and 1978–79 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		1,186,729
Schedule:		
(a) Design and construction planning	1,126,729	
(b) Historical and archaeological surveys	60,000	
411—For capital outlay, Department of Parks and Rec-		

Item		Amount
reation, for purposes set forth in subdivisions (b), (c), and (e) of Section 5096.85 of the Public Resources Code, for expenditure during the 1976–77, 1977–78 and 1978–79 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		4,160,551
Schedule:		
(a) Andrew Molera State Park: Construct campground	24,710	
(b) Emma Wood State Beach: Working drawings campground	52,510	
(c) Fort Ross State Historic Park: Archaeological investigation	40,000	
(d) Fort Ross State Historic Park: Reconstruction	176,750	
(e) Mendocino Headlands State Park: Construct day-use area	381,675	
(f) Monterey State Historic Park: Restoration, Cooper-Molera Adobe	143,875	
(g) Mount Diablo State Park: Construct water supply system	190,850	
(h) New Brighton State Beach: Construct sewage system	159,900	
(i) Old Sacramento State Historic Park: Archaeological investigation	40,000	
(j) Old Town San Diego State Historic Park: Archaeological investigation	40,000	
(k) Salt Point State Park: Archaeological investigation and working drawings campground	27,500	
(*l*) San Gregorio State Beach: Construct day-use area	512,050	
(m) San Juan Bautista State Historic Park: Plaza Hotel reconstruction	118,325	
(n) San Onofre State Beach: Construct sewage system	454,764	
(o) San Onofre State Beach: Working drawings campground	164,500	
(p) Sonoma Coast State Beach: Construct bikeway project	27,329	
(q) Sunset State Beach—Palm Beach: Construct day-use area	250,280	
(r) Ventura—Santa Barbara Counties: Construct bikeway and hiking trail project	340,533	
(s) Cross-Marin Trail:		

Item		Amount
	Construction	235,000
(t)	American River Trail: Acquisition and development	500,000
(u)	Bidwell Mansion Visitors' Center: Preliminary planning and working drawings	30,000
(v)	Colonel Allensworth State Historic Park: Restoration and development	250,000

provided, that none of the funds appropriated for acquisition of parklands by this item shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.

Reappropriation

412—Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations) provided in such appropriations (and any reappropriations), and shall be available for expenditure until June 30, 1977:

Department of Parks and Recreation:

Item 379(a), Budget Act of 1973
Stanford Home—acquisition

Item 379(c), Budget Act of 1973
Century Ranch—acquisition

Item 379(d), Budget Act of 1973
Jetty Beach—acquisition

Item 379(g), Budget Act of 1973
Old Town San Diego State Historic Park—acquisition

Item 379(h), Budget Act of 1973
Pomponio State Beach—acquisition

Chapter 1064, Statutes of 1973
Burton Creek—acquisition

Item		Amount
	Item 387.4(c), Budget Act of 1975 San Onofre State Beach—working drawings and hookup fees for sewage system and sanitary facilities	
	Item 387.4(d), Budget Act of 1975 Bothe-Napa Valley State Park—Bale Mill, restoration and interpretation research	
	Item 387.4(h), Budget Act of 1975 Monterey State Historic Park—Cooper-Molera Adobe, working drawings	
	Item 387.4(k), Budget Act of 1975 San Juan Bautista State Historic Park—Plaza Hotel, working drawings	
	Item 387.5(e), Budget Act of 1975 Project planning, Wildlife Conservation Board, Department of Fish and Game	
	LOCAL ASSISTANCE	
	RESOURCES	
413	—For project review for purposes set forth in subdivision (a) of Section 5096.85 of the Public Resources Code, Department of Parks and Recreation, for expenditure during the 1976–77 fiscal year, payable from the State Beach, Park, Recreational and Historical Facilities Fund of 1974	146,631
414	—For grants to counties, cities, cities and counties, or special districts, as defined in Section 5096.84, pursuant to subdivision (a) of Section 5096.85 of the Public Resources Code, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974	13,411,235
	Unless otherwise provided herein, funds appropriated for each of the local grant projects in this item are for acquisition, development or both. Schedule:	
	Projects in Alameda County	
	(1.1) Livermore Area Recreation and Park District, Arroyo Parkway	47,332
	(1.2) County of Alameda, McConaghy house restoration	3,000
	(1.3) City of Piedmont, Dracena Park	35,500

Item		Amount
	Projects in Amador County	
(1.7)	Volcano Community Services District, Soldier Gulch Park	11,000
	Projects in Butte County	
(1.9)	Durham Recreation and Park District, Durham Aquatics Complex	38,272
(2)	Durham Recreation and Park District, Durham Community Park	25,000
(3)	Paradise Recreation and Park District, Forest Service ball parks	19,596
(4)	Paradise Recreation and Park District, Paradise High tennis courts and ball field	73,050
	Projects in Calaveras County	
(5)	City of Angels, Mildred Wilson Park	11,000
(6)	City of Angels, Utica Park	10,000
(7)	Calaveras Unified School District, Copperopolis elementary school site	10,000
(8)	Calaveras Unified School District, Railroad Flat elementary school site	13,500
(9)	Calaveras Unified School District, San Andreas (Calaveras High) Park	15,100
(10)	Calaveras Unified School District, West Point Elementary School Park	26,500
(11)	Vallecito Union School District, community center outdoor facilities	12,500
(12)	Vallecito Union School District, Douglas Flat historical restoration	6,500
(13)	Vallecito Union School District, Linebaugh Park	12,500
(14)	Vallecito Union School District, Murphys tennis courts	12,000
(14.1)	San Andreas Recreation and Park District, San Andreas Park	24,900

Item	Amount
Projects in Contra Costa County	
(15) Ambrose Recreation and Park District, Pacifica Neighborhood Park	34,570
(16) East Bay Regional Park District, Morgan Territory Regional Park	100,000
(17) Kensington Community Service District, Kensington Park	20,720
(18) Liberty Union High School District, Bryon Elementary School recreation facilities	6,000
(19) Liberty Union High School District, Knightsen Elementary School Play Area	5,050
(20) Liberty Union High School District, Liberty Union High and Edna Hill Elementary School recreation facilities, greenway and bike trail	32,856
(21) Liberty Union High School District, Oakley Elementary School tennis courts	8,984
Projects in El Dorado County	
(22) El Dorado Irrigation District, Weber Creek Recreation Area	52,612
(23) County of El Dorado, Georgetown Neighborhood Park	6,982
(24) County of El Dorado, Mother Lode Lions Club Park	13,000
(25) County of El Dorado, Shingle Springs Plaza Park	22,000
(26) City of Placerville, Lions Park	30,376
(26.1) City of South Lake Tahoe, Bijou softball field development	24,743
Projects in Fresno County	
(27) Del Rey Community Services District, Del Rey Park	13,200
(28) Caruthers Community Services District, Caruthers Community Park	13,200
(29) City of Kerman, Kerman Community park	19,325

Item		Amount
(30) City of Parlier, Benito Juarez Park		21,300
	Projects in Glenn County	
(31) City of Orland, Orland Aquatic Park		100,000
(31.1) City of Willows, Jensen Park		70,000
	Projects in Humboldt County	
(32) Southern Humboldt Unified School District, Southern Humboldt Community Park		30,002
(33) Willow Creek Community Services District, Flowers Park		17,677
	Projects in Imperial County	
(34) City of Calipatria, South City Park		12,946
(35) City of Westmorland, Westmorland Youth Center Park		12,222
	Projects in Inyo County	
(36) City of Bishop, Bishop City Park		43,000
(37) County of Inyo, Millpond Recreation Area		20,000
	Projects in Kern County	
(38) City of Bakersfield, Akers Road Park		30,000
(39) City of Bakersfield, Beale Park		12,000
(40) City of Bakersfield, Grissom Park		65,000
(41) City of Bakersfield, Kroll Way Park		109,565
(42) City of Bakersfield, Wayside Park		9,000
(43) City of Bakersfield, Wilson Park		7,500
(44) El Tejon Union School District, El Tejon Tennis Courts		5,396
(45) Lamont School District, Mt. View Tennis Courts		11,101
(46) North Bakersfield Recreation and Park District, Fruitvale Norris Park		21,648

Item	Amount
(47) North Bakersfield Recreation and Park District, Highland Park—School	61,146
(48) North Bakersfield Recreation and Park District, Riverview Park	20,112
(49) Richland School District, Richland-Shafter Tennis Courts and lighting	12,318
(50) City of Ridgecrest, Hellmers Park	26,912
(51) City of Ridgecrest, Ridgecrest Golf Center	8,800
(52) City of Shafter, Richland-Shafter Tennis Courts and lighting	17,856
(53) Sierra Sands Unified School District, Hellmers Park	37,971
(53.1) City of Delano, Fifth and Jefferson Street Park	47,616
Projects in Lassen County	
(54) County of Lassen, Janesville Park	10,000
(55) County of Lassen, Westwood Park	20,000
(56) City of Susanville, Diamond View Neighborhood Park	15,000
(57) City of Susanville, Emerson Lake Golf Course	12,500
(58) City of Susanville, Little League Park	2,000
(59) City of Susanville, McKinley Neighborhood Park	22,500
(60) City of Susanville, Roosevelt Pool	23,000
Projects in Los Angeles County	
(61) City of Burbank, Stough Park	274,183
(62) City of Hawthorne, Holly Glen Park	35,000
(63) City of Hawthorne, Jim Thorpe Park	12,000
(64) City of Hawthorne, Memorial Park	8,000
(65) City of Huntington Park, Corona Park	26,896
(66) City of Huntington Park, Middleton Park	26,896

Item	Amount
(67) County of Los Angeles, Belvedere County Park	186,417
(69) City of Monrovia, Canyon School Tot Lot	21,173
(70) City of Monrovia, Clifton Softball Field	40,000
(71) City of Paramount, Gundry Park	50,000
(72) City of Paramount, Paramount Park	50,961
(73) City of Pico Rivera, three parks site improvement	10,791
(74) City of Pico Rivera, Rio Hondo Park	13,597
(75) City of Pico Rivera, Smith Park	12,597
(76) City of Pico Rivera, Streamland Park	47,097
(77) City of San Gabriel, Roosevelt Park	51,085
(78) City of San Gabriel, Smith Park	42,000
(79) City of South Pasadena, Garfield Park	73,656
(79.1) City of Baldwin Park, Morgan Park	57,297
(79.2) City of Walnut, Lemon Creek Park	70
(79.3) County of Los Angles, Point Vicente Beach	85,000
(79.4) County of Los Angeles, El Pescador Beach	100,000
(79.5) City of Lawndale, Anderson-Rogers Park	75,969
Projects in Madera County	
(80) Chowchilla Union High School District, Community Swimming Pool	50,000
(81) City of Chowchilla, Chowchilla Sports Center	15,000
(82) City of Madera, Lion's Town and Country Park	40,000
(83) North Fork Union School District, North Fork School Tennis Courts	26,000

Item	Amount
Projects in Marin County	
(84) Bel Marin Keys Community Services District, Montego Park ..	3,908
(85) County of Marin, Gallinas Creek Park	14,896
(86) City of San Rafael, Albert Park ..	27,911
Projects in Mariposa County	
(87) County of Mariposa, Cathey's Valley Park	9,000
(88) County of Mariposa, Coulterville Park	29,000
(89) County of Mariposa, El Portal Swimming Pool	53,000
(90) County of Mariposa, Hornitos Park	3,000
(91) County of Mariposa, Mariposa Ball Park	3,000
(92) County of Mariposa, Mariposa County Courthouse	21,000
(93) County of Mariposa, Mariposa Park	29,000
(94) County of Mariposa, New Mariposa Athletic Field	53,000
Projects in Mendocino County	
(95) City of Ukiah, Ukiah High Swimming Pool	60,000
Projects in Merced County	
(96) City of Dos Palos, Dos Palos Park facilities	11,340
(97) City of Merced, Ada Givens Park	111,207
(97.1) Atwater Memorial Ball Park	58,007
Projects in Modoc County	
(98) County of Modoc, Davis Creek Village Green	12,400
(99) County of Modoc, Lookout Village Green	12,400
(100) County of Modoc, NCO Building	50,000

Item	Amount
Projects in Monterey County	
(101) Castroville Public Recreation District, Castroville Ball Park.....	25,533
(102) City of Salinas, Salinas Fairways Golf Course.....	116,676
(102.1) County of Monterey, Manzanita Regional Park acquisition	141,482
(102.2) Greenfield Public Recreation District, Oak Park Tennis Courts	16,001
Projects in Napa County	
(103) Calistoga Joint Unified School District, Calistoga Community Park.....	4,529
(103.1) City of Napa, Garfield Park....	104,253
(103.2) Napa Valley Unified School District, Bumpy Camp.....	1,670
Projects in Nevada County	
(104) Western Gateway Park and Recreation District, Penn Valley Park.....	50,000
Projects in Orange County	
(105) City of Buena Park, George Bellis Park	30,000
(106) City of Costa Mesa, Fairview Regional Park.....	230,095
(107) City of Garden Grove, Chapman Intermediate School Park.....	10,000
(108) City of Garden Grove, Garden Grove Park	36,500
(109) County of Orange, Alicia Park	150,000
(110) County of Orange, Crown Valley Community Park	150,000
(111) County of Orange, El Toro Community Park.....	150,000
(112) County of Orange, George Key Ranch Historical Area	62,500
(113) County of Orange, Iglesia Park	90,000
(114) County of Orange, Los Coyotes Regional Park.....	300,000

Item	Amount
(115) County of Orange, Nike Base Regional Park	400,000
(116) County of Orange, Palisades Beach	200,000
(117) County of Orange, Rossmoor Community Park	53,035
(118) City of Orange, West Olive Park	246,333
(119) City of Newport Beach, Bayside Drive Park	36,221
(120) City of Seal Beach, First St. Beach Recreation Area	76,934
(120.1) City of San Clemente, San Gorgonio Park	82,106
Projects in Placer County	
(121) Auburn Area Recreation and Park District, Meadow Vista Community Park	12,000
(122) City of Colfax, Colfax City Park	8,040
(123) County of Placer, Loomis Community Park	20,000
(124) City of Roseville, Cresthaven Park	83,592
(125) Tahoe City Public Utility District, Lake Forest Little League	31,500
Projects in Plumas County	
(126) Central Plumas Recreation Park and Parkway District, Quincy Community Park	53,000
(127) County of Plumas, Chester Community Park	52,000
(128) City of Portola, Baldwin Park	22,000
(129) City of Portola, Portola City Park	21,000
Projects in Riverside County	
(130) City of Banning, Eastside Park	39,008
(132) Coachella Valley Recreation and Park District, Palm Desert Community Center Park	31,517
(133) Lake Elsinore Recreation and Park District, Crescent Bath House (Chimes)	24,363

Item	Amount
(135) City of Rancho Mirage, Whitewater Regional Park	15,206
(136) County of Riverside, Tenth Avenue Backwater	50,000
(137) County of Riverside, Harford Springs	100,000
(138) County of Riverside, Kabian Park	50,000
(139) County of Riverside, McIntyre Backwater	20,000
(140) County of Riverside, San Jacinto Trail	25,000
(140.1) City of Perris, Russell Stewart Memorial Park	10,000
(140.2) Beaumont—Cherry Valley Recreation and Park District, Noble Creek Park	20,000
Projects in Sacramento County	
(141) County of Sacramento, Rio Linda Central Park	34,283
(142) Sunrise Recreation and Park District, Robbers Roost	50,000
(143) Sunrise Recreation and Park District, Spruce Avenue Park	45,000
(144) Sunrise Recreation and Park District, Tempo Community Park	135,000
(144.1) County of Sacramento, Florin Creek Bike and Hiking Trail	40,000
Projects in San Bernardino County	
(145) City of Loma Linda, Loma Linda Community Park	21,289
(146) City of Montclair, Kingsley Area (High Density) Park	29,007
(147) City of San Bernardino, Mill Community Center	30,700
(148) County of San Bernardino, Baldwin Lake	20,000
(149) County of San Bernardino, Cucamonga-Guasti	250,000
(150) County of San Bernardino, "H" Street Community Park	50,607
(151) County of San Bernardino, Sportsman's Park	120,000

Item	Amount
(152) County of San Bernardino, Trona Roadside Rest	10,473
(152.1) City of Rialto, Eisenhower High School Park	5,372
Projects in San Francisco County	
(153) City and County of San Francisco, Golden Gate Music Concourse	55,000
(154) City and County of San Francisco, Golden Gate Park recreation development	583,900
(155) City and County of San Francisco, John McLaren Park	402,000
Projects in San Joaquin County	
(156) City of Lodi, Lodi Lake Park	111,091
(157) City of Manteca, Manteca Community (Northgate) Park	61,977
(158) County of San Joaquin, Oak Grove Regional Park	494,977
(159) City of Stockton, Bear Creek Park	177,701
(160) City of Stockton, Northwest Park (Beck Subdivision)	188,000
(161) City of Stockton, Quail Lake Park	81,000
(162) City of Tracy, Dr. Powers Park	55,311
(162.1) City of Escalon, Escalon Community Park	25,000
(162.2) City of Ripon, Manley-Ripona Park	25,000
Projects in San Luis Obispo County	
(162.3) City of Morro Bay, Morro Bay Community Park	38,150
Projects in San Mateo County	
(164) City of Belmont, Cipriani Park	29,500
(165) City of Belmont, Hallmark Tennis Courts	28,000
(166) City of Belmont, Marina Park	3,500
(168) City of Belmont, Ralston Tennis Court	31,500

Item	Amount
(169) City of Millbrae, Green Hills Park	77,300
(170) Ravenswood Recreation and Park District, Jack Ferrell Park	48,384
(171) Ravenswood Recreation and Park Disrict, Ravenswood Center	23,516
(172) City of San Carlos, Arundel School site	52,400
(172.1) City of San Carlos, Crestview Park	44,800
Projects in Santa Clara County	
(173) City of Saratoga, Congress Springs Park	71,198
(173.1) City of Morgan Hill, Morgan Hill Senior Citizens' Park	14,885
Projects in Shasta County	
(174) City of Anderson, Anderson River Park	43,250
(175) Burney County Water District, Burney Roadside Recreation Park	17,540
(176) Burney County Water District, Washburn-Bue Park	14,000
(177) Enterprise Public Utility District, Hawn Avenue Park	5,400
(178) Enterprise Public Utility District, Park No. 1	25,480
(179) French Gulch-Whiskeytown Union Elementary School District, French Gulch-Whiskeytown School	7,000
Projects in Sierra County	
(180) City of Loyalton, Loyalton Park	66,268
(181) Sierra-Plumas Joint Unified School District, Downieville tennis courts	3,500
(182) County of Sierra, Kentucky Mine	90,000
(183) County of Sierra, Sierra Valley Recreation Center	40,232

Item	Amount
Projects in Siskiyou County	
(184) City of Etna, Scott Valley Swimming Pool	60,000
(185) Town of Fort Jones, City Ball Park	15,000
(186) Town of Fort Jones, Community Hall Park	15,000
(187) City of Tulelake, Tulelake City Park	20,000
(188) City of Yreka, Greenhorn Park	40,000
Projects in Solano County	
(189) City of Dixon, Hall Park	26,796
(190) County of Solano, Rio Vista Sandy Beach Recreation Area	75,000
(191) City of Suisun City, E. N. Todd Park	24,531
(191.1) County of Solano, Lagoon Valley Park	216,534
Projects in Sonoma County	
(192) City of Cloverdale, Cloverdale City Park	3,754
(193) City of Cloverdale, Cloverdale High recreation facilities	10,000
(194) City of Petaluma, McNear Peninsula Park	122,907
(195) County of Sonoma, West Petaluma Park	278,081
Projects in Stanislaus County	
(196) City of Ceres, Orchardview Neighborhood Park	14,916
(197) City of Ceres, Witmore Neighborhood Park	29,000
(200) City of Modesto, Tuolumne River Regional Park	66,634
(201) County of Stanislaus, Modesto Reservoir	245,557
(202) City of Waterford, Beard Community Park	10,603
(202.1) City of Modesto, East La Loma Neighborhood Park	180,000
(202.2) City of Modesto, Sylvan Neighborhood Park	130,240

Item		Amount
(202.3) City of Riverbank, Seventh and Atchison tennis courts		15,806
(202.4) City of Hughson, youth center pool		2,000
(202.5) City of Hughson, LeBright School baseball facility		9,455
	Projects in Sutter County	
(202.6) County of Sutter, East Nicolaus Park		34,000
	Projects in Tehama County	
(203) City of Corning, Estil C. Clark Park		23,800
(204) City of Red Bluff, airport recreation area		22,400
(205) City of Red Bluff, Lincoln Street recreation area		30,000
(206) County of Tehama, Antelope Park		29,425
(207) County of Tehama, Bowman Park		29,425
(208) County of Tehama, Camp Tehama		26,161
(209) County of Tehama, Gerber Park		5,350
(210) County of Tehama, Mill Creek Park		15,245
(211) County of Tehama, Ridgeway Park		6,420
(212) County of Tehama, Tehama County River Park		11,774
	Projects in Trinity County	
(212.1) County of Trinity, Oddfellows Hall		5,000
(212.2) County of Trinity, Helena Historical Post Office		15,000
(212.3) County of Trinity, Barlow group site		5,000
	Projects in Tulare County	
(213) Burton School District, Burton School recreational facilities		3,654
(214) College of the Sequoias Junior		

Item	Amount
College District, College of the Sequoias restrooms and baseball facilities fencing	20,000
(215) Cutler-Orosi Unified School District, Orosi High School tennis courts	8,966
(216) City of Dinuba, Alice and North Mini Park	16,073
(217) City of Dinuba, El Monte Park	9,042
(218) Farmersville School District, Farmersville School-Community recreational area	3,656
(219) Monson-Sultana Joint Union School District, Sultana basketball court	1,339
(220) City of Porterville, Zalud Park	41,859
(221) Porterville Elementary School District, nine schools' recreation facilities	19,936
(222) Porterville Union High School District, Citrus High Park	23,954
(223) Terra Bella Union School District, Terra Bella Community tennis courts	2,148
(224) Tipton Elementary School District, Tipton Elementary School basketball courts	2,021
(225) Tulare City School District, eight schools hard surface multi-use play areas	18,506
(226) Waukena Union Elementary School District, Waukena School recreation facilities	1,458
(227) Woodlake Union School District, Sequoia Avenue Community Park	7,641
(227.1) Visalia Unified School District, Mt. Whitney High tennis courts	70,256
(227.2) Earlimart School District, Earlimart Jr. High and Elementary School recreation facilities	5,124
(227.3) Richgove School District, renovation of community recreation facilities	2,036

Item		Amount
	Projects in Ventura County	
(228)	County of Ventura, Oakbrook Park	65,000
(229)	City of Fillmore, Sespe Park	24,169
	Projects in Yolo County	
(230)	City of Woodland, Dubach Ball Park	95,288
	Projects in Yuba County	
(231)	County of Yuba, Bok Kai Temple	20,000
(232)	County of Yuba, Chinese cemetery and funeral pyre	2,000
(233)	County of Yuba, historic site markers	5,000

provided that none of the funds which are appropriated by this item for the projects set forth herein shall be available for expenditure unless and until such projects are submitted to, and reviewed and approved by, the Secretary of the Resources Agency pursuant to Section 5096.89 of the Public Resources Code.

Reversions

415—As of June 30, 1976, the unencumbered balance of the appropriation made by the following items shall revert to the unappropriated balance of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

Item 412A (9), Chapter 1522, Statutes of 1974
City of Piedmont, Wetmore House

Item 412A (10), Chapter 1522, Statutes of 1974
City of Piedmont, Piedmont Park, children's play area and sculpture garden

Item 412A (25), Chapter 1522, Statutes of 1974
Delta Recreation District, Brentwood—Oakley Recreation Center baseball playground

Item 412A (40), Chapter 1522, Statutes of 1974
City of South Lake Tahoe, intermediate school tennis courts

Item 412A (100), Chapter 1522, Statutes of 1974
County of Los Angeles, Otterbein Regional Park

Item	Amount
Item 412A (101), Chapter 1522, Statutes of 1974 County of Los Angeles, Montecito Hills Regional Park	
Item 412A (108), Chapter 1522, Statutes of 1974 County of Los Angeles, Escondido Beach	
Item 412A (121), Chapter 1522, Statutes of 1974 City of Pico Rivera, Rio Vista Park	
Item 412A (168), Chapter 1522, Statutes of 1974 City of Buena Park, Duff Park	
Item 412A (174), Chapter 1522, Statutes of 1974 City of Garden Grove, Pioneer Park	
Item 412A (176), Chapter 1522, Statutes of 1974 City of Garden Grove, Woodbury Park	
Item 412A (177), Chapter 1522, Statutes of 1974 City of Garden Grove, West Haven Park	
Item 412A (184), Chapter 1522, Statutes of 1974 Cities of Placentia and Fullerton, Tri-City Park (Lake Placentia)	
Item 412A (211), Chapter 1522, Statutes of 1974 City of San Jacinto, Mistletoe Park	
Item 412A (238), Chapter 1522, Statutes of 1974 City of Montclair, Montclair Parkway	
Item 412A (245), Chapter 1522, Statutes of 1974 City of Rialto, Lilac Park	
Item 412A (247), Chapter 1522, Statutes of 1974 County of San Bernardino—County Service #22, Pinnacles Primitive Area	
Item 412A (248), Chapter 1522, Statutes of 1974 County of San Bernardino, Joshua Smoke Cove Campground	
Item 412A (254), Chapter 1522, Statutes of 1974 County of San Bernardino, Mojave River Forks	
Item 412A (256), Chapter 1522, Statutes of 1974 County of San Bernardino, Glen Helen Regional Park	
Item 412A (261), Chapter 1522, Statutes of 1974 City of Belmont, Twin Pines Park	
Item 412A (297), Chapter 1522, Statutes of 1974 City of Woodland, John H. Ferns Park	
Item 390 (90), Budget Act of 1975 City of Susanville, Vallejo Meadows Park	
Item 390 (160), Budget Act of 1975 City of Napa, John F. Kennedy Park	
Item 390 (164), Budget Act of 1975 Napa Valley Unified School District, Yountville Community Center	
Item 390 (175), Budget Act of 1975 City of Newport Beach, Balboa Island Park	

Item	Amount
Item 390 (205), Budget Act of 1975 County of Sacramento, Natomas East Main Drain Trail	
Item 390 (228), Budget Act of 1975 County of San Bernardino, Armory Park	
Item 390 (230), Budget Act of 1975 County of San Bernardino, Ella Pitcher Junior High Park	
Item 390 (304), Budget Act of 1975 Town of Fort Jones, Fort Jones City Park	
Item 390 (320), Budget Act of 1975 City of Ceres, Don Pedro Neighborhood Park	
Item 390 (324) Budget Act of 1975 City of Riverbank, Seventh Street Park	
Item 390 (326) Budget Act of 1975 County of Sutter, Railroad Avenue Park	
Item 390.2D (7), Budget Act of 1975, as amended by Chapter 984, Statutes of 1975 City of Volcano, Soldier Gulch Park	

HEALTH SCIENCE FACILITIES CONSTRUCTION BOND ACT PROGRAM

SEC. 3.2. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years for expenditures only for the programs contemplated by the Health Science Facilities Construction Program Bond Act of 1971, except that appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1976–77 fiscal year; provided further, that every appropriation made by this section for construction that has not been approved by the State Public Works Board on or before June 30, 1977, shall revert as of that date. All such appropriations shall be paid out of the Health Science Facilities Construction Program Fund.

HIGHER EDUCATION

416—For capital outlay, University of California, subject to approval of the State Public Works Board, payable from Health Sciences Facilities Construction Program Fund; provided, that withdrawals shall be as required to meet current obligations as certified by the University of California	23,328,000

Item		Amount
	Schedule:	
	Universitywide:	
(1)	Reserve for cost-rise augmentation	3,000,000
(2)	Project programming and preliminary planning, health sciences	50,000
(3)	General and advance planning studies, health sciences	50,000
	Berkeley—Health Sciences:	
(4)	Construct optometry building (Minor Hall) addition	4,059,000
(5)	Construct alterations to Minor Hall for optometry	417,000
(6)	Preliminary plans and working drawings, Warren Hall alterations for public health	45,000
(7)	Preliminary plans and working drawings, Warren Hall life safety improvements	50,000
	Davis—Health Sciences:	
(8.1)	Equip medical sciences unit 1, (Veterinary Medicine)	497,000
(8.2)	Equip medical sciences unit 1, (Commons Area)	860,000
(8.3)	Equip medical sciences unit 1, (Medicine)	1,743,000
(8.4)	Equip medical sciences unit 1, (Medicine)	323,000
	provided, that no sums appropriated by subitem (8.4) shall be expended unless and until a long-term agreement for the continued University of California ownership and operations of the Sacramento Medical Center is signed by the University and the County of Sacramento.	
(9)	Working drawings for Sacramento Medical Center improvements (alterations), 1975–76, 1976–77	95,000
(10)	Working drawings, Sacramento Medical Center, replacement of seismically deficient patient-care facilities	105,000
(12)	Preliminary plans, working drawings, construct and equip Haring Hall alterations	921,000
(13)	Preliminary plans, working drawings and construct medical surge III alterations	241,000

Item		Amount
(15) Equip veterinary medicine, released medical surge space		400,000
Irvine—Health Sciences:		
(16) Equip Orange County Medical Center, 1976–77		1,500,000
(18) Equip community clinics		250,000
(19) Acquisition and improvements of Orange County Medical Center		2,500,000
(19.1) Working drawings for building 1 addition		285,000
(19.2) Working drawings for alteration to buildings 1 and 53, renovations		105,000
(19.3) Working drawings and construct Orange County Medical Center, renovations and improvements, building 9 addition		806,000
Los Angeles—Health Sciences:		
(20) Equip School of Dentistry building, completion of unfinished space, step 1		251,000
(21) Construct health sciences center, correct safety deficiencies		1,362,000
Riverside—Health Sciences:		
(22) Equip alterations to existing buildings for medical education program		668,000
San Diego—Health Sciences:		
(23) Equip south wing addition, University Hospital		967,000
(24.1) Working drawings and construct, corrections to ventilating and exhaust systems, step 3, phase II, University Hospital		497,000
(24.2) Working drawings, corrections of mechanical system inadequacies, University Hospital		7,000
(24.3) Preliminary plans and working drawings, radiation therapy expansion, University Hospital		10,000

Item	Amount
(24.4) Preliminary plans and working drawings, corridor to south wing and remodeling of second floor medical records area for social work department, University Hospital	7,000
(24.5) Preliminary plans and working drawings for remodeling of first floor outpatient clinic areas for other uses, University Hospital	45,000
(24.6) Preliminary plans, working drawings and construct, University Hospital, south annex—code deficiency and renovations, step 2	225,000
(24.7) Preliminary plans, working drawings, construct and equip improvements of University Hospital, 1976–77	439,000
San Francisco—Health Sciences:	
(25) Equip clinics and medical sciences buildings alterations step I (dentistry and electrical)	185,000
(27) Preliminary plans, working drawings for clinics and medical sciences buildings alterations, step 2	26,000
(28) Working drawings, construct and equip clinics and medical sciences buildings alterations step 1A, School of Pharmacy	337,000

GENERAL SECTIONS

SEC. 4. Notwithstanding any other provisions of this act, no appropriations made in this act, or funds obtained from any other source, over $25,000, may be expended by any state entity for any single expansion, improvement, or addition to electronic data-processing activities, personnel, equipment, facilities, or supplies, as such terms are defined in the Supplementary Report of the Committee on Conference on the Budget Act of 1976, hereinafter referred to in this section as the supplementary report, during fiscal year 1976–77, unless the department director certifies (or in the case of a consolidated data center, the center director), and the Director of Finance determines and states in writing, that the criteria and procedures set forth in the supplementary report have been met and followed.

Notwithstanding any other provisions of this act, no appropriations made in this act, or funds obtained from any other source, may be expended by any state entity pursuant to a contract in excess of $25,000 for expansion, improvement, or addition to electronic data-processing activities, personnel, equipment, facilities, or supplies, as such terms are defined in the supplementary report, during fiscal year 1976–77, unless such contract for personal services or supplies or for the acquisition or rental of equipment is competitively bid, except that competitive bidding shall not be required (a) when the state entity and the Department of Finance agree that an article of a specified brand or trade name is the only article which will properly meet the needs of the entity, or (b) in cases of emergency where immediate acquisition of supplies, equipment, or services without bid is necessary for the protection of the public health, welfare, or safety, or (c) when the Department of Finance determines that the interests of the state are best served through other competitive methods, including, competitive negotiation. The Department of Finance, with the assistance of the Department of General Services, shall develop and publish in the State Administrative Manual appropriate criteria and procedures to ensure compliance with the contract-letting policies set forth herein. The Department of Finance shall submit the proposed criteria and procedures, or modifications thereto, to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee 30 days prior to the adoption of such criteria and procedures. The Department of Finance shall notify each such committee chairman 30 days prior to each use of other competitive methods, including competitive negotiation, as specified in (c) above, in any procurement exceeding $25,000. If such contract is for the lease of electronic data-processing equipment, it shall be in the form of the model contract for lease of electronic data-processing systems and components, as contained in the State Administrative Manual. No portion of the model contract

shall be deleted or stricken unless such portion is clearly inappropriate and not applicable for the specific items of equipment being leased and the Departments of Finance and General Services concur in the deletion.

The Department of Finance, coordinating with the Department of General Services, may revise the model lease contract by appropriate changes to the State Administrative Manual for the purpose of improving contractual terms and conditions to obtain increased benefits to the state. Any such proposed changes shall, to the extent practicable, result from consultation with computer vendors, which shall, if possible, include manufacturers of small, medium, and large equipment. In addition, any such changes shall be submitted to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee 30 days prior to approval and adoption of any such new model lease contract language.

With respect to any single expansion, improvement, or addition over $25,000 involving the lease, lease-purchase, or purchase of electronic data-processing equipment, the state's specifications shall be stated so as to encourage maximum competition. In any such procurement subject to this section involving the replacement of a computer mainframe (central processing unit), if only one bid is received and that bid is from the vendor whose equipment is being replaced, a notification of an intent to award a contract to such sole bidder shall be submitted to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee 30 days prior to an award of contract. The notification of intent to award a contract to such sole bidder shall describe the rationale for the award and the measures taken by the state to elicit more than one bid.

No expenditure of funds for any data-processing activities shall be authorized until the director of the department requesting the expenditure and the Director of Finance certify that adequate safeguards have been developed following the criteria contained in the supplementary report to ensure the confidentiality of data.

The provisions of this section shall not apply to the University of California, the State Compensation Insurance Fund, the community college districts, agencies provided for by Article VI of the Constitution, or the Legislature.

SEC. 5. Because it is necessary to insure the availability of adequate equipment for physical facilities constructed for the operation of custodial, mental health, educational, administrative, military, and other agencies of the state government; because uncertainties as to completion dates make precise advance planning of equipment purchases impossible; and since delivery of some kinds of equipment cannot be made for six months or longer from the date of ordering; state agencies are therefore authorized to incur obligations, to be met during the 1977–78 fiscal year, for the purchase of equipment related to capital outlay projects for which the

Legislature has appropriated construction funds; provided, that no obligation shall be incurred under the provisions of this section without the approval of the Department of Finance and the State Public Works Board. Purchase orders issued and contracts entered into under the provisions of this section shall not exceed a total of two million dollars ($2,000,000) in estimated cost.

SEC. 6.1. None of the funds appropriated under Section 2 of this act may be expended for any project for the alteration of a state building requiring total expenditures of $100,000 or more. Any such project requiring total expenditures of $25,000 to $100,000, inclusive, shall be reported by the Director of General Services to the Chairman of the Joint Legislative Budget Committee, or his designee, at least 30 days prior to requesting bids for the project. Any such project requiring total expenditures of $5,000, but less than $25,000, during the 1975–76 fiscal year shall be reported by the Director of General Services to the Chairman of the Joint Legislative Budget Committee, or his designee, by October 1, 1976.

SEC. 7. Any acquisition of land or other real property included in any appropriation made herein except appropriations from the California Water Fund or the State Highway Account, State Transportation Fund or appropriations to the Board of Governors of the California Community Colleges for allocation to the community college districts shall be subject to the provisions of the Property Acquisition Law.

All property acquisitions, notwithstanding other exemptions of this section, shall be reported to the State Public Works Board.

SEC. 8. No money appropriated herein in any item for capital outlay may be expended by any state agency, including the University of California, the California State University and Colleges and the community colleges, except amounts for acquisition of land or other real property, amounts needed for equipment, minor projects and amounts appropriated specifically for preliminary surveys, studies and planning until the State Public Works Board and the Department of Finance have approved preliminary plans for the project to be financed from such item of appropriation for capital outlay with the exception that community college approvals by the Public Works Board will apply only to the allocation of state capital outlay funds appropriated heretofore and hereafter by the Legislature; including land acquisition and equipment funds; provided further, that unless excepted by the conditions of Section 20084 of the Education Code, the Public Works Board shall not approve for allocation any appropriated amounts for working drawings or construction where said working drawings or construction have been started by a community college prior to approval of the state-appropriated amounts by the Public Works Board, and all such amounts not approved by the board under this criterion shall be reverted to the unappropriated balance of the appropriate fund; provided further, no major project for which appropriation is made hereunder regarding which the Director of Finance or his authorized representative requests review of working

plans shall be put out to bid until the working plans therefor have been approved by the Department of Finance; provided further, that no money appropriated herein may be spent for working drawings for any project as to which there has been made substantial change or changes from the preliminary plans as approved by the State Public Works Board and the Department of Finance unless there has first been obtained the approval of the Department of Finance to make such change or changes; provided further, that no more than one thousand dollars ($1,000) of the money appropriated herein may be spent for any single unit of equipment until prior approval for purchase of such equipment shall have been given by the Department of Finance.

Nothing in this section shall be construed to limit or control the Department of Transportation in the expenditure of State Highway Account, State Transportation Fund money appropriated for capital outlay purposes.

The Department of Transportation shall report to the State Public Works Board the expenditures for capital outlay, except minor projects, from appropriations contained in this act.

SEC. 8.5. In making appropriations to state agencies which are eligible for federal assistance programs, it is the intent and understanding of the Legislature that applications made by such agencies for federal funds under any such programs shall be for the maximum amount allowable under federal law.

SEC. 9. Notwithstanding any other provision of law, the portion of each sum of money heretofore appropriated or allocated, hereby appropriated or hereafter allocated to the Regents of the University of California for capital outlay which remains after the purpose for which each said sum was appropriated or allocated has been accomplished, and which have been or hereafter are withdrawn from the State Treasury by the Regents of the University of California pursuant to the provisions of Section 23201 of the Education Code, together with increments, by way of interest or otherwise, on any such appropriation or allocations, shall be used and expended by the Regents of the University of California in executing and furthering the building and improvement program of the University of California; provided, that no such sums shall be allocated by the Regents of the University of California to projects for the purpose of augmenting those projects without prior approval of the State Public Works Board of the requested augmentation. Such sums shall be available for expenditure in payment of any encumbrances heretofore or hereafter incurred without regard to fiscal years; provided, however, that any unencumbered balances existing as of the date on which each such appropriation or allocation otherwise would lapse, shall then revert.

SEC. 10.05. Notwithstanding any other provisions of law, the undisbursed balance of Chapter 1000, Statutes of 1975, on the effective date of this act is reappropriated in augmentation of the 1976–77 General Fund support item for the Department of Food and Agriculture.

Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and shall be available for expenditure until June 30, 1977.

General Fund:

Department of General Services:

Item 338(c), Budget Act of 1973—land acquisition for second well, central heating and cooling plant.

SEC. 10.06. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1977.

General Fund:

California Job Creation Program Board:

a. Item 183, Budget Act of 1975—for job development programs.

Motor Vehicle Account, State Transportation Fund:

Department of Motor Vehicles:

b. Item 344(a), Budget Act of 1973—Land acquisition, working drawings and construct office building and parking facilities—Chula Vista.

c. Item 344(k), Budget Act of 1973—Land acquisition for office building and parking facilities—San Fernando.

d. Item 362 Budget Act of 1975—Working drawings for office buildings and parking facilities as shown in the following subitems:

Item 362(a)—Oceanside	$59,200
Item 362(b)—San Pedro	$52,500
Item 362(c)—Torrance	$61,800
Item 362(d)—Pleasanton	$60,000
Item 362(e)—South Lake Tahoe	$37,100
Item 362(f)—Lancaster	$60,560
Item 362(h)—Compton	$68,560
Item 362(i)—Los Angeles, southern headquarters	$79,880
Item 362(j)—Oroville	$46,500
Item 362(k)—Woodland-Davis	$47,300
Item 362(*l*)—Santa Barbara	$59,600

State Highway Account, State Transportation Fund (Federal Funds):

Department of Transportation:

e. Item 200, Budget Act of 1975—Local assistance—highway safety improvements and Federal Urban System.

f. Item 360, Budget Act of 1975—Capital outlay—highway safety improvements.

SEC. 10.07. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the

purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1977.

General Fund:

Department of Conservation:

(a) Item 345(d), Budget Act of 1973—Land acquisition—Coarsegold forest fire station.

(b) Item 345(*l*), Budget Act of 1973—Construct Siskiyou Ranger Unit Headquarters—fire control dispatch and command center.

(c) Item 345(m), Budget Act of 1973—Equip Siskiyou Ranger Unit Headquarters—fire control dispatch and command center.

(d) Item 345(n), Budget Act of 1973—Construct Valley Springs forest fire station.

(e) Item 345(o), Budget Act of 1973—Equip Valley Springs forest fire station.

(f) Item 345(p), Budget Act of 1973—Construct Fresno Ranger Unit Headquarters—fire control dispatch and command center.

(g) Item 345(q), Budget Act of 1973—Equip Fresno Ranger Unit Headquarters—fire control dispatch and command center.

(j) Item 345(t), Budget Act of 1973—Construct Riverside Ranger Unit Headquarters—fire control dispatch and command center addition.

(k) Item 345(u), Budget Act of 1973—Equip Riverside Ranger Unit Headquarters—fire control dispatch and command center addition.

Department of Parks and Recreation:

(*l*) Chapter 987, Statutes of 1970
Lands under the jurisdiction of the State Lands Commission located at or near Manchester State Beach, Robert Louis Stevenson State Park (formerly Mt. Saint Helena State Park), and Red Rock Canyon State Recreation Area (formerly Red Rock Canyon State Park)—Purchase

(m) Item (b), Chapter 983, Statutes of 1973
Schooner Gulch and Bowling Ball Beach—Acquisition

(n) Item (c), Chapter 983, Statutes of 1973
Willow Creek—Acquisition

(o) Item (d), Chapter 983, Statutes of 1973
Hendy Woods State Park—Acquisition

(p) Item (i), Chapter 983, Statutes of 1973
Leo Carrillo State Beach—Acquisition

(q) Chapter 1139, Statutes of 1973
North Coastal—Acquisition

(r) Item (a), Chapter 1174, Statutes of 1973
Century Ranch—Acquisition

Bagley Conservation Fund:
Department of Parks and Recreation:
(s) Item 318.2(a)(1), Budget Act of 1972
Statewide—Inholding Purchases
(t) Item 318.2(b)(13), Budget Act of 1972
Point Mugu State Park—Development
(u) Item 318.2(b)(14), Budget Act of 1972
Angel Island State Park—Development
(v) Chapter 1423, Statutes of 1972
Santa Cruz Mountains—Acquisition
(w) Item 350(i), Budget Act of 1973
Montara State Beach—Acquisition
(x) Item 350(k), Budget Act of 1973
Old Town San Diego State Historic Park—Acquisition
(y) Item 350(*l*), Budget Act of 1973
Red Rock Canyon State Recreation Area—Acquisition
(z) Item 350(o), Budget Act of 1973
San Onofre State Beach—Development
(bb) Item 350(t), Budget Act of 1973
Statewide—Inholding Purchases
(cc) Item 350(aa), Budget Act of 1973
Sonoma Coast State Beach—Acquisition
(dd) Item 350(bb), Budget Act of 1973
Bear Harbor Ranch—Acquisition
(ee) Item 350(dd), Budget Act of 1973
Manchester State Beach—Acquisition
(ff) Item 350(ee), Budget Act of 1973
Fort Ross State Historic Park—Acquisition
(gg) Item 350(gg), Budget Act of 1973
Candlestick Park—Acquisition
(ii) Item 350(nn), Budget Act of 1973
Wilder Ranch—Acquisition
(jj) Item 350(oo), Budget Act of 1973
Mendocino Headlands—Acquisition
(kk) Item 350(pp), Budget Act of 1973
MacKerricher State Park—Acquisition
(mm) Item 350(ss), Budget Act of 1973
Pacific Ocean Park—Acquisition
(nn) Item 350(uu), Budget Act of 1973
Empire Mine—Acquisition
Wildlife Conservation Board:
(pp) Item 350.3, Budget Act of 1973—For acquisition of coastal wildlife areas and adjacent lands of Tomales Bay, Marin County; provided, that the funds appropriated by this item shall be expended only for the acquisition of approximately 161 acres immediately south of the Tomales Bay Ecological Reserve.
State Park Contingent Fund:
Department of Parks and Recreation:
(ss) Item 318.1, Budget Act of 1972

Humboldt Redwoods State Park—Acquisition

(tt) Item 349(c), Budget Act of 1973
Humboldt Redwoods State Park—Acquisition

(uu) Item 349(d), Budget Act of 1973
Reimbursement from Land and Water Conservation Fund for Humboldt Redwoods Acquisition

Environmental Protection Program Fund:

Department of Transportation:

(vv) Item 222, Budget Act of 1975—$400,000 of the amount appropriated by that item, for research and development of a low-polluting, energy-efficient external combustion engine as an alternative to the internal combustion engine.

SEC. 10.08. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1977.

General Fund:

Department of Health:

(a) Item 243.1, Budget Act of 1973—Emergency services project

(b) Chapter 1217, Statutes of 1975, subdivision (a), Section 2—Perinatal Care

(c) Item 271, Budget Act of 1975, subitem (b)—Sickle cell anemia program, up to $150,000

SEC. 10.09. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1977.

State Construction Program Fund:

California Community Colleges:

Saddleback Community College District, Saddleback College:

a. Item 399(53), Budget Act of 1974—Equip music arts building

Capital Outlay Fund for Public Higher Education:

Department of Education:

Schools for Blind, Deaf and Multihandicapped:

b. Item 356(b), Budget Act of 1973—Preliminary plans

State University and Colleges:

California State College, Dominguez Hills:

d. Item 361(42), Budget Act of 1973—Construct theatre arts building

e. Item 361(45), Budget Act of 1973—Construct classroom office building

California State University, Fresno:

f. Item 361(27), Budget Act of 1973—Construct central plant addition

g. Item 361(28), Budget Act of 1973—Construct utilities 1973
h. Item 362(9), Budget Act of 1973—Construct science building

California State University, Fullerton:
i. Item 362(11), Budget Act of 1973—Construct education classroom building

California State University, Humboldt:
j. Item 361(33), Budget Act of 1973—Construction for converting laboratory school
k. Item 361(41), Budget Act of 1973—Preliminary plans, working drawings and construction for access road
l. Item 361(48), Budget Act of 1973—Construct library addition

California State University, Long Beach:
o. Item 309(yyy), Budget Act of 1972—Construct general classroom and faculty office building
p. Item 362(7), Budget Act of 1973—Construct administration building

California State Polytechnic University, Pomona:
q. Item 362(10), Budget Act of 1973—Construct science building

California State University, San Diego:
s. Item 361(1), Budget Act of 1973—Construction for arts and science rehabilitation
t. Item 361(34), Budget Act of 1973—Working drawings and construction for converting health services building

California State University, San Francisco:
u. Item 362(8), Budget Act of 1973—Construct administration building

California State University, San Jose:
v. Item 363.5(4), Budget Act of 1973—Working drawings for corporation yard II

California State Polytechnic University, San Luis Obispo:
w. Item 309(xxx), Budget Act of 1972—Construct architecture classroom building
x. Item 361(29), Budget Act of 1973—Working drawings and construct utilities 1973
y. Item 363.5(6), Budget Act of 1973—Construct engineering west addition

California State College, Sonoma:
z. Item 309(rrr), Budget Act of 1972—Construct classroom office building 2

University of California:

Berkeley Campus:
aa. Item 359(5), Budget Act of 1973—Working drawings and construct aquaculture facility

Health Sciences Facilities Construction Bond Act Program:
University of California:
Irvine Health Sciences:
ee. Item 378(29), Budget Act of 1973—Preliminary planning for community clinics
Los Angeles Health Sciences:
hh. Item 378(12), Budget Act of 1973—Working drawings and construct completion of unfinished space, School of Dentistry building
San Diego Health Sciences:
hhx. Item 378(15), Budget Act of 1973—Working drawings and construct improvements at University Hospital of San Diego County (nursery-delivery)
San Francisco Health Sciences:
ii. Item 378(23), Budget Act of 1973—Working drawings and construct Moffitt Hospital modernization, new service facilities and related alterations
General Fund:
Department of Education:
jj. Chapter 1170, Statutes of 1973—For year-round schools
kk. Item 322.1, Budget Act of 1975—To develop, standardize, and implement a bilingual scholastic achievement test in the Spanish language
ll. Chapter 851, Statutes of 1975—For support of Indian education centers

SEC. 10.10. None of the funds to be allocated by the Director of Finance as loans to the State Air Resources Board pursuant to Item 222 of this act shall be expended for any increase in the inspection program beyond the Riverside Pilot Program until the State Air Resources Board formally approves and submits to the Legislature a report on the Mandatory Vehicle Inspection Program. Such report shall include all of the following:

(1) An evaluation of the effectiveness of emissions testing for oxides of nitrogen and the board's plan for integrating such testing into the program.

(2) Consideration of the existing and future technological developments with respect to both reducing and oxidizing catalytic converters and the board's plans for testing catalytic converter equipped vehicles.

(3) A specific test procedure to be used in the program and the degree of diagnostic testing proposed.

(4) An evaluation of the advantages and disadvantages of operation of inspection stations by a private contractor and a recommendation thereon.

(5) An analysis of recommended inspection station sites and Department of Motor Vehicles sites which have been reviewed.

(6) The effect on air quality of a program, if recommended, which would require vehicle inspection only upon change of ownership and the justification for delaying mandatory annual inspection until 1980.

(7) Relevant data from any experimental or operational testing program on which its findings and recommendations are based.

No contract or revised contract for the operation of any vehicle emission inspection station with any private contractor shall be entered into until the board has made a copy of the contract or revision to the contract available to each house of the Legislature for a period of 30 days.

SEC. 10.1. As of June 30, 1976, the unexpended balance of the appropriation made by Item 96, Budget Act of 1975, shall revert to the unappropriated surplus of the General Fund.

As of July 1, 1976, the amount reverted as of June 30, 1976, for Item 96, Budget Act of 1975, is reappropriated and shall be available until June 30, 1977, and may be expended on written authorization of the Department of Finance issued on or before said date, for emergencies, within the meaning of said item, occurring during the 1975–76 fiscal year.

SEC. 10.3. As of June 30, 1976, $280,000 of the unencumbered balance of funds appropriated by Item 345, Budget Act of 1975, is reappropriated to the Trustees of the California State University and Colleges for the purpose of funding employee relocation expenses incurred in connection with the move of the chancellor to new headquarters.

SEC. 10.4. Notwithstanding any other provisions of law, the undistributed balances, on the effective date of this act, of the appropriations provided for the child care pilot study in paragraphs (a) and (b) of subdivision (c) of Section 32, Statutes of 1973, Chapter 1191, are reappropriated for the purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1977.

SEC. 10.5. Notwithstanding any other provision of law, as of June 30, 1976, an amount, not to exceed $545,238 of the amount appropriated by subdivision (a) of Section 2 of Chapter 1208 of the Statutes of 1974, is reappropriated to the California Coastal Zone Conservation Commission and shall be available for expenditure until December 31, 1976.

SEC. 10.6. The sum of $2,300,000, which was reappropriated by Section 10.7 of the Budget Act of 1975, is hereby further reappropriated for only the 1976–77 fiscal year, in lieu of the reappropriation in Section 10.7 of the Budget Act of 1975 for support of the Solid Waste Management Board; provided, that the total amount authorized for expenditure during the 1975–76 and 1976–77 fiscal years shall be limited to $600,000 for preparation of a report on a comprehensive solid waste management program for the San Francisco Bay Area; and provided further, that no additional funds from this reappropriation shall be expended for the San Francisco Bay Area program unless approved by the Director of Finance with the concurrence of the Chairman of the Joint Legislative Budget Committee; and provided further, that an additional $200,000 is hereby made available for expenditure by the board for a contract with the County of Humboldt for an implementation study of the Humboldt County

Resource Recovery and Energy Conversion Project in accordance with Sections 66780, 66782, 66790, and 66790.5 of the Government Code.

SEC. 10.7. The Reserve Account in the General Fund created by Item 217.1 of the Budget Act of 1975, is hereby continued in existence. Such Reserve Account consists of the unencumbered balance of any funds appropriated by Item 217.1 of the Budget Act of 1975, and the funds appropriated by Item 235 of this act. The Reserve Account is continuously appropriated to the State Energy Resources Conservation and Development Commission, to be allocated to the commission by the Director of Finance.

Provided, that the Director of Finance may allocate such amounts to the commission for cash-flow purposes under such terms and conditions as he may prescribe; provided, further, that from time to time the Director of Finance may allocate to the commission, in augmentation of Item 234 of this act, not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in each instance determine, such amounts as may be necessary to carry out the commission's responsibility in processing notices of intent and claims of exemption pursuant to Chapter 6 (commencing with Section 25500) of Division 15 of the Public Resources Code; and provided, further, that the amount appropriated by this section shall not be classified by the Board of Equalization as an unappropriated balance in the special account for the purpose of establishing the surcharge rate, as provided in Section 40031 of the Revenue and Taxation Code.

SEC. 10.8. As of June 30, 1976, $84,000 of the unencumbered balance of the funds appropriated by Item 409(3.1), Budget Act of 1974, is hereby reappropriated to the University of California for the purposes of planning for the veterinary medicine field facilities, and shall be available for expenditure until June 30, 1977.

SEC. 10.9. Notwithstanding any other provision of law, the unencumbered balance appropriated by Item 318 of the Budget Act of 1975 is hereby reappropriated to the Department of Education to provide for a pilot program of individualized physical education for high school pupils.

SEC. 11.06. As of June 30, 1976, the unencumbered balance of Chapter 1211, Statutes of 1973, shall revert to the unappropriated surplus of the General Fund.

SEC. 11.07. As of June 30, 1976, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

General Fund:

Department of Parks and Recreation:

(a) Chapter 152, Statutes of 1974 for exposition and fair administrator.

State Water Resources Control Board:

(c) Chapter 804, Statutes of 1974—loan to the Clean Water Grants Administration Revolving Fund.

State Energy Resources Conservation and Development Commission:

(b) Chapter 13, Statutes of 1974—for nonresidential building insulation standards.

Hostel Facilities Use Fees, General Fund:

Department of Parks and Recreation:

(d) Item 383.3(a), Budget Act of 1974 Sonoma Coast State Beach—Acquisition

(e) Item 383.3(c), Budget Act of 1974 MacKerricher State Park —Acquisition

Recreation and Fish and Wildlife Enhancement Fund:

Wildlife Conservation Board:

(f) Item 326(d), Budget Act of 1972—for development of wildlife habitat.

State Beach, Park, Recreational, and Historical Facilities Fund of 1974:

Department of Parks and Recreation:

(g) Item 410.8(a), Budget Act of 1974—Colonel Allensworth State Historic Park, development.

General Fund:

Department of Conservation:

(h) Item 378(f), Budget Act of 1974—Land acquisition—Yorba Linda Forest Fire Station.

Off-Highway Vehicle Fund:

Department of Parks and Recreation:

(i) Item 277.1(c), Budget Act of 1974—Prima Deshcha Regional Off-Highway Vehicle Facility, County of Orange, for acquisition and development.

Collier Park Preservation Fund:

Department of Parks and Recreation:

(j) Item 369(c), Budget Act of 1975—Huntington State Beach, development.

SEC. 11.08. As of June 30, 1976, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

General Fund:

Department of Benefit Payments:

(a) Chapter 1256, Statutes of 1975—Local assistance, unemployment compensation.

SEC. 11.09. As of June 30, 1976, the unexpended balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

Capital Outlay Fund for Public Higher Education:
Trustees of the California State University and Colleges:

a. Item 361(47), Budget Act of 1973—Preliminary plans and working drawings for an aquatic facility, State College, Stanislaus.
b. Item 362(1), Budget Act of 1973—Preliminary plans and working drawings for an aquatic facility, Sonoma.
c. Item 362(2), Budget Act of 1973—Preliminary plans and working drawings for outdoor physical education and aquatic facilities, State College, Dominguez Hills.
d. Item 395.5(10), Budget Act of 1974—Preliminary plans and working drawings for education-psychology building, State University, Chico.
e. Item 397(6), Budget Act of 1974—Preliminary plans and working drawings for Crandall Gym and Natatorium rehabilitation, State Polytechnic University, San Luis Obispo.
f. Item 397(7), Budget Act of 1974—Preliminary plans and working drawings for old science rehabilitation for psychology, State University, San Jose.
g. Item 397(36), Budget Act of 1974—Preliminary plans and working drawings for biological science building conversion, State University, Los Angeles.

SEC. 11.1. As of June 30, 1976, the unencumbered balance of the $250,000 transferred to the Architecture Revolving Fund for building alterations for the State Personnel Board from funds appropriated by Item 181, Budget Act of 1974, shall revert to the General Fund.

SEC. 11.2. As of June 30, 1976, the unencumbered balance of the funds transferred to the Architecture Revolving Fund for building alterations for the Department of Motor Vehicles from funds appropriated by Chapter 53, Statutes of 1973, shall revert to the Motor Vehicle Account in the State Transportation Fund.

SEC. 11.3. As of June 30, 1976, the unencumbered balance of the appropriation made by Chapter 1112 of the Statutes of 1973 shall revert to the unappropriated balance of the General Fund.

SEC. 11.7. Funds appropriated for the Master Plan for Special Education Pilot Program by Item 324, Budget Act of 1976, may be expended by the Superintendent of Public Instruction after he has certified the amount of federal funds which may be lawfully used for the purposes of the Master Plan for Special Education Pilot Program and the Director of Finance has approved the certification. The Director of Finance shall, with the approval of the Joint Legislative Budget Committee, reduce the funds appropriated by Item 324, Budget Act of 1976, by the amount of federal funds certified by the Superintendent of Public Instruction and approved by the Director of Finance, which amount shall revert to the unappropriated surplus of the General Fund.

Prior to November 1, 1976, the Controller shall pay no more than $10,000,000 in claims against Item 324, Budget Act of 1976; after that

date, the Controller shall not pay any additional claims against Item 324, Budget Act of 1976, unless the Superintendent of Public Instruction has certified and the Director of Finance has approved the certification of federal funds available for the purposes of the Master Plan for Special Education Pilot Program.

SEC. 11.8. As of June 30, 1976, the amount set forth opposite the appropriation provided in the following citations shall revert to the unappropriated balance in the General Fund:

Department of Health:

Item 372(c) Budget Act of 1975—Air condition wards, Agnews State Hospital 866,808

SEC. 12.3. Funds transferred by a department to the Stephen P. Teale Consolidated Data Center during the 1975–76 fiscal year in excess of the amount billed by the center for electronic data processing services for such department for such fiscal year shall be treated as a credit toward amounts billed in the 1976–77 fiscal year for such services provided that department in the 1976–77 fiscal year.

SEC. 12.4. Notwithstanding any other provision of law, of the $4,738,000 appropriated by Item 362, Budget Act of 1975 for working drawings and acquisition of field office sites, no expenditures in excess of $3,000,000 are authorized unless and until written notification from the Department of Finance is transmitted to the Chairman of the Joint Legislative Budget Committee confirming that the funds for construction for the additional site acquisitions will be budgeted for the 1977–78 fiscal year.

SEC. 12.5. Effective June 30, 1976, upon order of the Director of Finance, the State Controller shall authorize the transfer of funds from Item 280(d), Budget Act of 1975, to the Health Care Deposit Fund for the state's share of expenditures for child health disability prevention services provided to persons eligible under the California Medical Assistance Program.

SEC. 13. The Department of Health shall submit quarterly to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee all of the following information: (1) local mental health expenditures by county, (2) any changes to county mental health allocations, and (3) all requests for new county mental health programs, together with the action taken on such requests by the Department of Health.

SEC. 13.1. The Legislature intends that any proposal to transfer mentally or developmentally disabled patients from state hospitals to community treatment programs shall result in equally beneficial care being delivered to all patients affected by such transfer. Therefore, quarterly, the State Department of Health shall report to the Legislature all of the following:

(a) That regional centers or counties which intend to transfer state hospital patients to their communities have thoroughly inventoried the needs of such state hospital patients in order to match the patients to appropriate community resources.

(b) That appropriate resources exist or will be created in an adequate supply within the county or regional centers service area to meet the inventoried needs of the patient types targeted within this fiscal year for discharge or diversion from the state hospital system. The targeted patient types and number of each type shall be described. Such description shall include at least all of the following components:

(1) Types of residential alternatives available for care and treatment of the various types and levels of disability including the location and the cost of these alternatives.

(2) The types, locations and cost of day treatment and rehabilitation services to be provided.

(3) Types and locations of educational facilities.

(4) Necessary case management staff, their location and cost.

Descriptions of (1) through (4) shall clearly distinguish between the amount of services in existence to meet present need and the amount necessary to meet the expanded need brought on by diversion of state hospital patients to community care.

(5) A plan for evaluating the effectiveness of the changes in treating state hospital patients in community settings. The plan shall include the methodology of the evaluation and who is to perform the evaluation.

(c) The sources and amounts of funds necessary to implement the activities described in (b).

(d) A detailed assessment of the projected impact upon the state hospital system of the implementation of the plans described above. The description shall include:

(1) Changes in the levels of severity of patients to be served;

(2) Changes in the staffing needs;

(3) Changes in bed utilization;

(4) Projection of (1) through (3) for the next fiscal year.

SEC. 14. It is the intent of the Legislature that the appropriations authorized or funded by this act shall not be combined or used in any manner to avoid budgeting the salary or operating expenses of any positions or to achieve any purposes which have been denied by any formal action of the Legislature.

SEC. 15. The sum of $1,000,000 from the unexpended balance of Item 277 of the Budget Act of 1975 is hereby reappropriated, in augmentation of Item 287 of this act, for the purpose of developing and funding community programs to serve the developmentally disabled.

The Department of Health shall solicit program proposals from the areawide development disabilities program boards and shall submit such proposals to the State Developmental Disabilities Planning and Advisory Council for review and recommendation, prior to expending any funds provided by this section.

SEC. 18. Notwithstanding any statutes, regulations or state policy to the contrary, all contracts and interagency agreements for consultant or personal services, except such contracts as are expressly

excluded below, shall, prior to their approval by the Department of General Services, be routed to the Department of Finance for review and approval. The Director of Finance shall, within 30 days of approving any such contract, so notify the Chairman of the Joint Legislative Budget Committee and the chairman of the committee in each house which considers appropriations.

The following types of contracts are excluded from the provisions of this section:

(a) Contracts that require payment of less than $13,500 per party per 12-month period.

(b) Contracts for hearing reporter services.

(c) Contracts for employer training programs which provide on-the-job training for workers.

(d) Contracts for rehabilitation services entered into by the Department of Rehabilitation.

(e) Contracts for maintenance or service of equipment.

(f) Contracts for electronic data-processing services reported under Section 4 of this act.

(g) Contracts related to any type of construction.

(h) Contracts for community mental health training entered into by the Centers for Training in Community Psychiatry, Department of Health, Health Treatment Systems.

(i) Contracts for library services entered into by the Department of Education.

(j) Contracts for removal of abandoned vehicles.

SEC. 19. On or before September 30, 1976, the State Controller shall transfer to the General Fund any amount of accumulated surplus in the Service Revolving Fund as of June 30, 1976, as follows: for the Office of State Printing totals in excess of $8,088,469, and for the remainder of the Service Revolving Fund totals in excess of $15,189,470 and shall apply the amount of such transfers first against any outstanding working capital advances and working capital property.

No machinery or equipment shall be purchased by or for the Office of State Printing except as provided for in this act and for emergency replacements which shall be reported to the Joint Legislative Budget Committee quarterly.

No augmentation shall be made to the capital of the Service Revolving Fund for the benefit of the Office of State Printing during the 1976–77 fiscal year except as specifically provided for in this act. Any proposed capital addition to the Service Revolving Fund for the benefit of the Office of State Printing for the 1977–78 fiscal year shall be included in the proposed budget for that fiscal year as an appropriation out of the General Fund.

Any surplus resulting from legislative printing shall be shown as a reimbursement to Item 10 of this act.

SEC. 19.3. There is hereby appropriated from the Abandoned Vehicle Trust Fund in the State Treasury to the General Fund and from the General Fund to the Department of Parks and Recreation the sum of five hundred fifty thousand dollars ($550,000) for a recrea-

tional trail on the San Francisco-Lake Tahoe Corridor between Old Sacramento State Historic Park and Folsom Lake State Recreation Area, pursuant to Article 4 (commencing with Section 5050) of Chapter 1 of Division 5 of the Public Resources Code.

SEC. 19.6. It is necessary that the Student Aid Commission announce awards in the spring of each year, prior to the time the Budget Act containing the appropriation for this purpose is enacted, in order that students receiving the awards may have sufficient time to plan for entering school the following fall. Since the Student Aid Commission must announce in the Spring of 1977 those individuals to whom California educational opportunity grants and graduate fellowships will be granted for the following Fall semester of 1977 and, since the Budget Act of 1977 may not be enacted in adequate time, the Student Aid Commission is authorized to announce the following awards during the 1976–77 fiscal year for awards to be in effect during the 1977–78 fiscal year, except that awards (1) in subdivision (a) in excess of 4.25 percent of the number of high school graduates of the previous fiscal year, (2) in subdivision (b) in excess of 3,100, and (3) in subdivision (c) in excess of 700, shall not be announced unless the Student Aid Commission has certified to the Director of Finance that there are federal funds available to the Student Aid Commission in an amount necessary to fund such awards after funding all eligible renewals in accordance with the provisions of Section 40402 of the Education Code:

(a) 14,900 new Cal grant awards as authorized by subdivision (a) of Section 40402 of the Education Code, in an amount not to exceed eighteen million three hundred twenty-seven thousand dollars ($18,327,000).

(b) 4,550 new Cal grant awards as authorized by subdivision (b) of Section 40402 of the Education Code, in an amount not to exceed five million two hundred eighty-two thousand five hundred fifty dollars ($5,282,550).

(c) 975 Cal grant awards as authorized by subdivision (c) of Section 40402 of the Education Code, in an amount not to exceed one million one hundred thirty-two thousand nine hundred fifty dollars ($1,132,950).

(d) Graduate fellowship winners for the awards authorized by Section 42208 of the Education Code, in an amount not to exceed two million dollars ($2,000,000).

SEC. 19.7. The Legislature recognizes that child care programs established and maintained pursuant to Chapter 1177, Statutes of 1972, have made valuable contributions towards insuring that public assistance recipients have been able to accept and maintain employment or related training. It is, therefore, the intent of the Legislature that the Department of Education shall insure that the following provision is met:

(a) That counties shall comply with Section 16784 of the Education Code which requires counties to maintain their 1970–71 level of effort for child care services provided by county funds, and that those

county funds shall be used to exceed the $1.14 an hour maximum state and federal reimbursement rate as established by Item 327 of this act, for child care programs.

The Department of Education shall insure that each county complies with Section 16784 of the Education Code in one of the two following manners:

(1) The Legislature has appropriated $1,283,379 to the Department of Education for county child care services. The Department of Education shall not issue funds to a child care contractor within a county until such time as that county certifies in writing to the Department of Education that the county has obligated its 1970–71 child care maintenance of effort funding level, pursuant to Section 16784 of the Education Code, to local county child care contractors. Such sums awarded by a county to a local child care contractor shall not adversely affect an agency's contract reimbursement with the Department of Education pursuant to Section 16780 of the Education Code.

(2) The Legislature has appropriated $1,283,379 to the Department of Education for county child care services. Each county, which has a 1970–71 maintenance of effort funding level for child care, pursuant to Section 16784 of the Education Code, shall transmit such sum to the Department of Education. Funds derived from each county shall be returned to each respective county's child care contractors as a grant award and not within the reimbursement control of Section 16780 of the Education Code.

The Department of Education shall notify all such programs and all such counties which maintained such programs during fiscal year 1974–75 of the Legislature's intent. The Department of Education shall report to the Legislature, no later than August 1, 1976, on the implementation of the Legislature's intent.

SEC. 19.8. The Legislature recognizes that state child care programs can make a valuable contribution assisting adults in low-income families to secure and maintain employment. It is therefore the intent of the Legislature that the Department of Education shall insure that the appropriation schedule in Item 327(a) for child care services be encumbered to the fullest extent possible under the state and federal rules and regulations affecting these programs.

To accomplish the full encumbrance of the state allocation for income eligible children not partly supported by federal funds, the Department of Education shall compare the actual rate of expenditures to the budgeted allocations for income eligible children who are state-funded only in each child care provider agency serving such children during the first six months of the 1976–77 fiscal year, and make such reallocations among these agencies as are necessary for the final six months of the 1976–77 fiscal year to insure the maximum encumbrance of the funding level, and, to provide services to the maximum number of children that can be served under this level of funding.

The Department of Education shall also report to the Legislature on or before February 15, 1977, the actual rate of expenditures of all budgeted child care funds from any source for child care services provided in this state during the first six months of the 1976–77 fiscal year and the projected expenditures during the last six months of the 1976–77 fiscal year together with a summary of all actions to be taken by the Department of Education subsequent to the first six months of the 1976–77 fiscal year to ensure the maximum encumbrance of state and federal funds budgeted for child care services.

SEC. 19.9. (a) No funds shall be available to finance contracts in respect to instructional materials adopted by the State Board of Education in which the total price, including sales and use tax, for any instructional materials exceeds by more than 13 percent the average of the three highest total prices for competitive instructional materials.

(b) No funds shall be available to finance contracts for textbooks or separate teachers' manuals adopted by the State Board of Education in which the royalty for any such textbook or separate teacher's manual exceeds by more than 10 percent an amount equal to the net price of that book multiplied by the average of the ratios of royalty to net price of all competitive books of its respective type.

SEC. 20. No money appropriated by this act shall be used to pay the salary of any authorized state position which was abolished effective September 1, 1976 and which position was vacant continuously during the period between October 1, 1975 and July 1, 1976. The State Controller, no later than August 1, 1976, shall notify in writing the Department of Finance of any authorized state position which was vacant continuously during such period. All such positions, except those exempt from civil service or those instructional and instructional-related positions authorized for the California State University and Colleges, are abolished effective September 1, 1976.

The State Controller, not later than December 1, 1976, shall furnish the Joint Legislative Budget Committee a report on all positions as of July 1, 1976, which were unfilled continuously during the period between October 1, 1975, and July 1, 1976.

SEC. 20.1. Notwithstanding any other provisions of law, expenditures under Item 12 of this act or any appropriation in augmentation of such item shall be exempt from the provisions of Sections 13320 and 13325 of, and Chapter 3 (commencing with Section 14250) of Part 5 of, and Chapter 6 (commencing with Section 14780) of Part 5.5 of, Division 3 of Title 2 of the Government Code, subdivision (a) of Section 713 of Title 2 of the California Administrative Code and Sections 4, 8, 18, and 25 of this act, and may be expended as set forth in the Governor's Budget, or for such other purposes, including expenditures for such number of positions in various classifications, as may be authorized by the Joint Committee on Rules.

SEC. 21.4. Since it is imperative that the maximum amount of time possible be provided the State Board of Education in the selection of textbooks and for private publishers and the State Printer to

print textbooks for the ensuing school year, the Department of Education and the Department of General Services are authorized subject to the provisions of Education Code Sections 9200 through 10001 to incur textbook printing obligations in an amount not to exceed $10 million in the aggregate during the 1976–77 fiscal year for delivery by the State Printer and private publishers to the Department of Education and local educational agencies beginning in the 1977–78 fiscal year.

SEC. 21.6. In addition to those purposes set forth in Section 19627.3 of the Business and Professions Code, money subject to allocation pursuant to such provisions may be allocated by the Director of Food and Agriculture to county, district, or combined county and district fairs, during the 1976–77 fiscal year, for general operational support purposes, and the limitation of $65,000, as set forth in Section 19627 of the Business and Professions Code, shall not be applicable to such allocation.

SEC. 22. No purchase order for acquisition or replacement of motor vehicles shall be issued against any appropriation made herein until the Department of General Services has investigated and established the necessity therefor.

All passenger-type motor vehicles purchased from any appropriation made by this act for the use of state employees and officers, except constitutional officers, shall be of the light class, as defined by the State Board of Control, unless excepted by the Director of General Services on the basis of unusual requirements, such as use by the California Highway Patrol, which would justify the need for an automobile of a heavier class.

No general use mobile equipment having an original purchase price of $25,000 or more shall be rented or leased from a nonstate source and payment therefor made from any appropriation made by this act without the prior approval of the Department of General Services after a determination that comparable state-owned equipment is not available, unless obtaining such approval would endanger life or property, in which case the transaction and the justification for not having sought prior approval shall be reported immediately thereafter to the department. For purposes of this section, "general use mobile equipment" shall be deemed to refer to equipment that is listed in the Mobile Equipment Inventory of the State Equipment Council and which is capable of being used by more than one agency, and shall not be deemed to refer to such equipment having a practical use limited to the controlling agency only. Section 575 of the Vehicle Code shall have no application to this section.

SEC. 23. All passenger-type motor vehicles purchased either from any appropriation made by this act or from any other appropriation available therefor for the use of the Department of Transportation, except for use of officers excepted in Section 22 of this act, shall be of the light class, as defined by the State Board of Control, unless excepted by the Director of General Services on the basis of unusual requirements which would justify the need for an automobile of a heavier class.

No general use mobile equipment having an original purchase price of $25,000 or more shall be rented or leased from a nonstate source and payment therefor made from any appropriation made by this act to the Department of Transportation or from any other appropriation available therefor to the Department of Transportation without the prior approval of the Department of General Services after a determination that comparable state-owned equipment is not available, unless obtaining such approval would endanger life or property, in which case the transaction and the justification for not having sought prior approval shall be reported immediately thereafter to the department. For purposes of this section, "general use mobile equipment" shall be deemed to refer to equipment that is listed in the Mobile Equipment Inventory of the State Equipment Council and which is capable of being used by more than one agency, and shall not be deemed to refer to such equipment having a practical use limited to the controlling agency only. Section 575 of the Vehicle Code shall have no application to this section.

SEC. 24. None of the moneys appropriated by this act or for an expenditure which is supplemented from money appropriated by this act shall be used to purchase furnishings for any house, mobile home, or apartment of three or more rooms other than a dormitory which is rented to a state employee except for a superintendent of an institution, warden of a prison, or physicians. This provision shall not apply to the purchase of refrigerators, heaters, air-conditioning equipment, stoves, linoleum, or equipment normally furnished in construction of the house as may be determined by the State Board of Control. Any such funds that are appropriated by this act for this purpose shall be held intact and be reverted to the fund from which they were appropriated. It is the intent of the Legislature that no money shall be appropriated henceforth for the purpose of house furnishings. Such furnishings are not to be provided by the state nor shall any money be paid from this appropriation for their replacement, repair or otherwise except in connection with the disposal of the same.

SEC. 25. No moneys appropriated by this act shall be used, either directly or by supplementing any other appropriation, to purchase rugs or carpets for any state office except for offices used by elective officers, the President of the University of California, a Chancellor of the University of California, the Chancellor of the California State University and Colleges, a president of a state university or college, department heads and for other facilities or areas under the control of the agencies financed by this act in accordance with standards issued by the Director of General Services. The Director of General Services shall furnish a detailed report annually to the Joint Legislative Budget Committee of all rugs or carpets purchased for state facilities under this section.

Approval of the Director of General Services shall be obtained prior to procurement and installation of such materials. The Director of General Services may authorize the use of carpeting in other

specialized facilities not meeting the established standards 30 days after notification in writing of the proposal with justification therefor to the Joint Legislative Budget Committee.

SEC. 26. Whenever herein an appropriation is made for support it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other agency, for which such appropriation is made.

Whenever herein an appropriation is made for capital outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs and equipment necessary in connection with a construction or improvement project.

Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of such property.

Whenever herein an appropriation is made in accordance with a schedule set forth after such appropriation, the expenditures from such item for each category or project included in the schedule shall be limited to the amount specified for such category or project, except as otherwise provided in this act. Each such schedule is a restriction or limitation upon the expenditure of the respective appropriation made by this act, does not itself appropriate any money, and is not itself an item of appropriation.

As used in this act in reference to such schedules "category" or "project" means a class of expenditures such as, but not limited to:

(a) "Personal services" which shall include all expenditures for payment of officers and employees of the state; including salaries and wages, workmen's compensation, unemployment compensation benefits, insurance premiums for workmen's compensation coverage, industrial disability leave and payments, the state's contributions to the Public Employees' Retirement Fund, the Teachers' Retirement Fund, the University of California Retirement Fund to provide for that portion of retirement costs to be provided for Hastings College of Law in Item 359 of this Budget Act, the Old Age and Survivors' Insurance Revolving Fund, the State Employees' Contingency Reserve Fund, and the state's cost of health benefits plans; but do not include compensation of independent contractors rendering personal services to the state under contract;

(b) "Operating expenses and equipment" which shall include all expenditures for purchase of materials, supplies, equipment, services (other than services of state officers and employees), and all other proper expenses;

(c) "Construct" or "construction" when used in connection with a capital outlay project shall include all such related things as fixtures, installed equipment, and auxiliary facilities;

(d) "Working drawings" are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering,

and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of such drawings.

(e) "Minor projects" include construction, improvements, repairs and equipment projects not specifically set forth in the schedule.

For the purpose of further interpreting the meaning of the words, terms and phrases used in such schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1976–77," submitted by the Governor to the Legislature at the 1976 portion of the 1975–76 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 of the Government Code, and the appropriate portions thereof. The State Board of Control shall establish such interpretations as are necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to whom appropriations are made under this act.

SEC. 26.5. Whenever herein an appropriation is made for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, there shall be charged to such appropriation from which salaries and wages are paid: workmen's compensation, the state's contribution to the Public Employees' Retirement Fund as provided by Sections 20751 and 20752 of the Government Code, the state's contribution to the Teachers' Retirement Fund as provided by Sections 14050 and 14100 of the Education Code, the state's contribution to the Old Age and Survivors' Insurance Revolving Fund as provided by Sections 20782 and 20783 of the Government Code, the state's contribution to the State Employees' Contingency Reserve Fund and the state's contribution for the cost of health benefits plans as provided by Sections 22828 and 22829 of the Government Code.

As of the effective date of this act, the state's contributions as provided by Sections 22828 and 22829 of the Government Code for any month shall be charged to the same appropriations used for payment of salaries and wages from which the employee premium contributions for such month are deducted.

The appropriations made by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, by Sections 14050 and 14100 of the Education Code, shall continue to be available for expenditure, and shall be charged for any expenditure which is not chargeable to an appropriation for support or other expenses as provided in this section. This transfer may be chargeable to such appropriation for a previous fiscal year if there are no funds available from that fiscal year.

The State Controller may transfer to the State Payroll Revolving Fund the contributions required by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, and upon certification by the Board of Administration of the Public Employees' Retirement System in accordance with Sections 20754 and 20784 of the

Government Code, may transfer from the State Payroll Revolving Fund to the Public Employees' Retirement Fund and the Old Age and Survivors' Insurance Revolving Fund the amounts of contributions so certified.

SEC. 26.7. Each item appropriating funds for salaries and wages includes the additional funds necessary to continue the payment of the amount of salaries in effect on June 30, 1976, for the state officers whose salaries are specified by statute.

SEC. 27. The Department of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to whom an appropriation is made herein, authorize the augmentation of the amount available for expenditure for a category or project designated in any schedule set forth for such appropriation by transfer from any of the other designated categories or projects within the same schedule. The Department of Finance shall furnish the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee a report on all authorizations given pursuant to this section during the preceding quarter.

Augmentations of amounts available for expenditure for a category or project designated in any line of any schedule for personal services or operating expenses and equipment set forth for such appropriation by transfer from any of the other designated categories or projects within the same schedule shall not exceed, during any fiscal year, 20 percent of the amount so scheduled on that line.

SEC. 28. The Director of Finance may authorize the augmentation of the amount available for expenditure for any category in the schedule set forth for any appropriation in this act or any additional category in the amount of any funds which he estimates will be received by an officer, department, division, bureau, or other agency during the 1976–77 fiscal year from any other state agency, from any agency of local government or the federal government, from any appropriation made by the Legislature or from any other source which he determines has not been taken into consideration in said schedule, or is in excess of the amount so taken into consideration, except that the director may authorize expenditures for a new program not identified in the budget as such or for purposes which in his judgment constitute an increase in the level of services above that authorized by the Budget Act or other existing law not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of said committee, or his designee, may in each instance determine.

The Director of Finance may also reduce any category whenever he determines that funds to be received will be less than the amount taken into consideration in the schedule.

SEC. 28.1 The Regents of the University of California and the Trustees of the California State University and Colleges may not

enter into a lease-purchase agreement with another entity, public or private, which involves building space, unless such agreement is reviewed and approved by the Legislature.

SEC. 28.2. The Director of General Services may not execute a lease agreement between the state and another entity, public or private, in which the state is lessee when the agreement is to be for the lease of a building or building space or both which will be for the occupancy of any agency or agencies of the state with a firm lease period of five years or longer and an annual rental in excess of $5,000 or if the agreement contains an option for the purchase of the lease property, or if the agreement concerns property in the County of Sacramento or the County of Yolo, unless not less than 30 days prior to its execution he notifies the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee or his designee in writing of his intention to execute such an agreement, or not sooner than such lesser time as the chairman of said committee, or his designee, may in each instance determine, provided that no funds appropriated in this act may be encumbered or expended for any lease entered into on or after July 1, 1976, for office space in the County of Sacramento unless all solicitations for leases for office space in the County of Sacramento under these conditions shall contain the statement, "The state is anticipating capital construction in the City of Sacramento and intends to eventually reduce the use of space on a leased basis."

SEC. 28.3. The Department of Benefit Payments shall submit, by September 1, November 15, and April 15, to the Department of Finance for its approval, all assumptions underlying all estimates related to the (1) average monthly caseloads for each of the categorical aid programs, (2) average grant for each of the categorical aid programs, (3) total estimated expenditures for each of the categorical aid programs, and (4) savings or costs associated with all regulatory or statutory changes.

The State Department of Health shall submit, by September 1, November 15, and April 15, to the Department of Finance for its approval, all assumptions underlying all estimates related to (1) the average monthly caseload for the medically needy and medical indigent in the Medi-Cal Program, (2) the average cost for each category of service and each category of recipient, (3) total estimated expenditures for each category of service, and (4) savings or costs associated with all regulatory or statutory changes.

The Department of Finance shall approve or modify the assumptions underlying all estimates by September 15, December 1, and May 1. Failure on the part of the Department of Finance to approve or modify the assumptions by such date shall constitute acceptance by the Department of Finance of the assumptions as presented by the submitting department.

The estimates of average monthly caseload, average monthly grant, average cost of medical services, total estimated expenditures (including administrative expenditures and savings or costs associat-

ed with all regulatory or statutory changes), and a listing of all of the approved assumptions, as well as all supporting data provided by the Department of Benefit Payments and the State Department of Health or developed independently by the Department of Finance, shall be made available to the Joint Legislative Budget Committee immediately following approval by the Department of Finance. However, such departmental estimates, assumptions, and other supporting data as have been prepared shall be forwarded to the Joint Legislative Budget Committee not later than October 1, January 1, and May 15 by the Department of Benefit Payments in the event this information has not been released earlier.

SEC. 28.4. No funds appropriated by this act shall be encumbered or expended for the purpose of funding any increased local governmental costs arising from the issuance of an executive order subject to the provisions of Section 2231 of the Revenue and Taxation Code, unless notification in writing of the necessity therefor is given at least 30 days before such encumbrance or expenditure is made to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee or such lesser time as the chairman of said committee, or his designee, may in each instance determine.

SEC. 28.5. Approvals by the Department of Finance to the creation of deficiencies pursuant to Section 11006 of the Government Code and approvals to expend at rates which, in the opinion of the Director of Finance, will require a deficiency appropriation shall be made in writing and filed with the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee. Such notices shall state the reason for and amount of such authorization and shall be filed prior to approval whenever possible and in no case shall they be filed more than 10 days after approval.

SEC. 28.6. The Director of Parks and Recreation may not negotiate or advertise any concession contract or operating lease or nongovernmental agreement which involves a total investment for any private party in excess of $100,000 or involves projected concessionaire gross receipts in excess of $100,000 on an annual basis under the terms of the proposed agreement unless not less than 30 days prior to such advertising date, the Director of Finance notifies the Chairman of the Joint Legislative Budget Committee or his designee in writing of his intention to initiate advertising for such concession contract or agreement, or not sooner than such lesser time as the chairman of such committee or his designee, may in each instance determine; provided, that the notification shall include a finding by the Director of Parks and Recreation and the Director of Finance that the concession contract or agreement cannot reasonably be presented to the Legislature through the annual budgeting process.

In addition, none of the access, picnic, restroom, or camping facilities constructed with funds appropriated by this act shall be operated pursuant to any new or existing concession agreement unless the

justification for the appropriation presented to the Legislature has included such concession operation.

SEC. 28.7. The Regents of the University of California shall not undertake any project funded from the Health Sciences Hospital Reserve Fund, which is in excess of $100,000, unless the scope and cost of any such project is approved by the Director of Finance and 30 days' written notification is provided to the Chairman of the Joint Legislative Budget Committee or his designee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in each instance determine. Any project funded from the Health Sciences Hospital Reserve Fund, of less than $100,000, shall be reported to the Chairman of the Joint Legislative Budget Committee by December 1 of each fiscal year. For purposes of this section the definition of a project does not include equipment projects. Any urgent project concerned with patient life or safety may proceed without prior approval or notification but such project shall be identified in the report provided each December 1.

SEC. 28.9. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the California State University and Colleges or to the University of California because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Trustees of the California State University and Colleges or the Regents of the University of California declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the state university and colleges or the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when he certifies that the systemwide enrollment of the California State University and Colleges or of the University of California exceeds by 2 percent or more the enrollment upon which the budget for the state university and colleges or the university was based; provided, that no increased expenditure may exceed $5,000,000 in the aggregate or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in each instance determine.

In the event that the systemwide enrollment of the California State University and Colleges or University of California is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefore to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not

sooner than such lesser time as the chairman of such committee, or his designee, may in each instance determine.

SEC. 28.10. All appropriations for the support of the California State University and Colleges shall be subject to the provisions of Section 13320 of the Government Code and applicable Budget Act restrictions with the following exceptions:

(a) The trustees may transfer excess salary saving funds from the salary savings reserve allotments to expenditure allotments provided such transfers do not exceed 20 percent of salary saving. Excess salary savings funds are those in excess of the amount budgeted.

(b) The trustees may approve transfer of funds between one or more of the programs for which funds are appropriated for the support of the California State University and Colleges.

Any transfer of funds made under the above exceptions shall be reported to the Department of Finance and Joint Legislative Budget Committee within 30 days after the end of each quarter in which such transfer was approved.

SEC. 28.11. It is the intent of the Legislature and executive branch in enacting this act that the University of California teaching hospitals suffer no fiscal penalties in the 1976–77 fiscal year as a result of the Medicare cost reimbursement limits issued pursuant to the authority of paragraph (1) of subsection (v) of Section 1861 of the Social Security Act (para. (1), subsec. (v), Sec. 1395x, Title 42, U.S.C.) and the Medi-Cal program cost reimbursement limits issued pursuant to the authority of Sections 14105, 14106, and 14124.5 of the Welfare and Institutions Code, and defined in Section 51508 of Title 22 of the California Administrative Code. Therefore, the Director of Finance may, following the adoption of a resolution by the Regents of the University of California declaring a teaching hospital fiscal emergency, authorize the accelerated expenditure, on a loan basis, of amounts budgeted for the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent of the equivalent dollar amount for the 1976–77 fiscal year, as is determined for each hospital, which is related to the difference in the reimbursement rates allowed by the Medicare and Medi-Cal programs and the reimbursement rates claimed by the University of California; provided, that the University of California will appeal for exceptions to these limits pursuant to procedures for requesting such appeals; provided further, that no increased expenditure may exceed $5,000,000 or be authorized sooner than 30 days after notification in writing of the necessity therefor is made to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of such committee, or his designee, may in such instance determine.

Any funds provided under the authority of this section shall be repaid to the fund from which they were derived with the proceeds of the claims appealed, regardless of fiscal year, as decisions on cost reimbursement limits which gave rise to their authorization permit

repayment of the loan. It is the intent of the Legislature that provisions for repayment of any loan balances shall be determined after the procedures for requesting appeals have been exhausted and all decisions are rendered. The university shall report annually in its budget on the status of such appeals.

SEC. 28.13. The sum of $25,000,000 is hereby appropriated from the General Fund for transfer to the University of California Teaching Hospital Revolving Fund, which is hereby created in the State Treasury and appropriated, without regard to fiscal years, to be used as working capital for teaching hospitals, University of California, exempt from Sections 925.6 and 12410 of the Government Code.

SEC. 29. Premiums for official bonds may be paid out of appropriations contained in this act, notwithstanding the period covered by such bonds.

SEC. 30. Whenever an expenditure is authorized from the Emergency Fund, from price increase funds, from employee benefits or special salary adjustments funds, from total equivalent compensation funds, from the salary increase funds, or from a special fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by this act, such authorized expenditures may, for accounting purposes, be deemed to be an augmentation and increase of the appropriation made by this act.

SEC. 31. The appropriations under this act, unless otherwise provided, shall be subject to the provisions of Section 13320 of the Government Code requiring expenditures to be made in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance.

The fiscal year budget shall authorize in such manner as the Department of Finance shall prescribe all established positions whose continuance for the year is approved and all new positions. No new position shall be established unless authorized by the Department of Finance on the basis of work program and organization.

The Director of Finance, or his authorized designee, shall notify the Chairman of the Joint Legislative Budget Committee within 30 days of authorizing any position not authorized for that fiscal year by the Legislature or any reclassification to a position with a minimum step of $1,350 or more per month. He shall also report all transfers to blanket authorizations and the establishment of any permanent position out of a blanket authorization.

All positions administratively established pursuant to this section during the 1976–77 fiscal year shall terminate on June 30, 1977, except that those positions which have been (a) included in the 1977–78 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1977–78 Governor's Budget submission to the Legislature, may be reestablished by the Department of Finance during the 1977–78 fiscal year, provided such positions are shown in the 1978–79 proposed Governor's Budget submitted to the Legislature, or in subsequent Department of Finance letters to the Legislature, and provided, such

positions do not result in establishment of positions deleted by the Legislature through the 1977–78 budget process.

Each fiscal year budget shall provide for a salary savings reserve to which shall be transferred on a document initiated by the agency and submitted to the Department of Finance the unencumbered balance remaining in each allotment for salaries and wages at the close of each quarter or other period of time covered by the allotment. The unencumbered balance remaining in each budget allotment for salaries and wages shall be computed by deducting from the amount of the allotment the expenditures and accrued obligations for salaries and wages chargeable to such allotment for the period covered thereby. The amount in the salary savings reserve shall not be available for expenditure except upon transfer to allotments for salaries and wages approved by the Department of Finance. Such transfer shall be approved only after it has been demonstrated to the satisfaction of the Department of Finance that the allotment to be augmented is insufficient to meet necessary expenditures for salaries and wages.

No money in any salary savings reserve may be expended to pay increases in salary ranges established after July 1, 1975, unless the Department of Finance certifies to the State Personnel Board, or other salary-fixing authority, prior to the adoption of such increased salary range that funds will be made available to pay the increased salaries resulting therefrom. Provided, that the provisions of this paragraph shall not apply to salaries fixed by the State Personnel Board based on prevailing rates pursuant to Government Code Section 18853.

A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the State Controller that such expenditures comply with the provisions of this section.

Each agency, department, board, commission, and institution, for whose benefit and support appropriations are made in this act, shall certify to the Director of Finance that its expenditures have been made for the purposes stated in the budget, as implemented by the Budget Act, except as the purposes stated have been revised, in accordance with law, by the Department of Finance subsequent to the enactment of the Budget Act.

SEC. 32. The officers of the various departments, boards, commissions and institutions, for whose benefit and support appropriations are made in this act, are expressly forbidden to make any expenditures in excess of such appropriations, except the consent of the Department of Finance be first obtained, and a certificate, in writing, duly signed by the director of said department, of the unavoidable necessity of such expenditure; and any indebtedness attempted to be created against the state in violation of the provisions of this section shall be absolutely null and void; and shall not be allowed by the State Controller nor paid out of any state appropriation. Any member of any such department, board, commission or

institution, who shall vote for any expenditure, or create any indebtedness against the state in excess of the respective appropriations made by this act, except by the consent of the Department of Finance and the certificate in this section provided to be first obtained, shall be liable on his official bond for the amount of such indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm or corporation to whom such indebtedness is owing.

The Department of Finance shall submit copies of certificates approved by it under this section to the Chairman of the Joint Legislative Budget Committee, and the chairman of the committee in each house which considers appropriations, quarterly, and shall indicate in the case of each certificate the code section or section of this act under which the department gave its consent to exceed the particular appropriation.

SEC. 32.2. The Director of Finance may direct the transfer of such unexpended balances of appropriations and of other funds available for use in connection with any function or agency affected by a reorganization plan submitted to the Legislature pursuant to Article 7.5 (commencing with Section 12080) of Chapter 1, Part 2, Division 3, Title 2 of the Government Code when the plan becomes effective pursuant to Section 12080.5 of the Government Code, as he deems necessary by reason of the reorganization, for use in connection with the functions affected by the reorganization, or for the use of the agency which has such functions after the reorganization plan is effective; provided that, unexpended balances so transferred shall be used only for the purpose for which the appropriation was originally made.

SEC. 32.5. Notwithstanding the provisions of any appropriation of state funds made in the Welfare and Institutions Code for the Aid to Families with Dependent Children Programs expenditures of state funds for those programs for the fiscal year ending June 30, 1977, shall not exceed, in the aggregate, the sum of $573,836,000.

The Department of Benefit Payments shall administer the public assistance programs so that the counties will bear no more than the amount of welfare costs that they would be obligated to bear under the applicable provisions of the Welfare and Institutions Code, without the expenditure limitations set forth herein, and so that the amount authorized to be expended under this section shall fully cover the state's share of aid payments and for services under such programs for the 1976–77 fiscal year.

The limitations on amounts imposed by this section shall apply to any amounts which are determined by the Director of Finance to be necessary to meet increases in cost arising out of approvals made by the Department of Finance pursuant to the provisions contained in Item 300, provided the Legislature is notified pursuant to the provisions of Section 28 of the Budget Act of 1976.

Provided further, that the Director of Finance is authorized to approve expenditures in those amounts made necessary by changes

in either caseload or payments, or any change in rule or regulation adopted during the current fiscal year which are in excess of Budget Bill estimates for 1976–77.

Further provided, that any increase related to changes in a rule or regulation shall be limited to the minimum amount needed to reimburse counties for increased costs due to such changes when such regulation changes have been approved in advance by the Department of Finance.

If the Director of Finance determines during the third quarter that the estimate of expenditures will exceed the authorized expenditure in this section, he shall so report to the Legislature prior to the end of the third quarter. At such time as a report is made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.

SEC. 32.9. No expenditure for park furnishings shall be made from any appropriation contained in this act for use by the Department of Parks and Recreation unless the department has made reasonable efforts to acquire such furnishings on a consolidated procurement basis. The department shall provide reasonable demonstration of such consolidated procurement to the Public Works Board and the Office of Procurement of the Department of General Services before the board and office authorize an expenditure or approve procurement.

SEC. 33. If any item of appropriation in this act is vetoed, eliminated, or reduced by the Governor under Section 10 of Article IV of the Constitution, while approving portions of this act, such veto, elimination, or reduction shall not affect the other portions of this act, and these other portions of this act, so approved, shall have the same effect in law as if any vetoed or eliminated items of appropriation had not been present in this act, and as if any reduced item of appropriation had not been reduced.

SEC. 34. If any portion of this act is held unconstitutional, such decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 34.5. This act, inasmuch as it provides for an appropriation for the usual current expenses of the state, shall, under the provisions of Section 8 of Article IV of the Constitution of the State of California, take effect immediately.

SEC. 35. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act makes appropriation for support of state and local government for the 1976–77 fiscal year and provides for capital outlay appropriations, in continuation of existing programs and to promote and sustain the economy of the state. It is imperative that such appropriations be available for expenditure commencing not later than July 1, 1976. It is therefore necessary that this act go into immediate effect.

CHAPTER 321

An act to amend Sections 6750.1, 17301, 17303.5, 18060, and 18102.6 of, and to add Section 6820.5 to, the Education Code, relating to special education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 2, 1976.]

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

SECTION 1. Section 6750.1 of the Education Code is amended to read:

6750.1. (a) The education of educationally handicapped pupils who are diagnosed as being autistic shall be provided all eligible pupils between 6 and 21 years of age, and may be provided eligible pupils between the ages of 3 and 6 years, in the manner set forth in this chapter.

(b) The governing board of any elementary or unified school district which has an average daily attendance of 8,000 or more in the elementary schools of the district, or any high school district which has an average daily attendance of 8,000 or more shall provide for the education, in special education classes or programs, of autistic pupils residing in the district who are not in attendance upon other special education classes or programs.

(c) The county superintendent of schools shall provide special education classes or programs for autistic pupils who reside in the county and in elementary or unified school districts which have an average daily attendance of less than 8,001 in the elementary schools of the district, or who reside in the county and in a unified or high school district which has an average daily attendance of less than 8,001. The classes and programs shall be established at centrally located places, and the county superintendent of schools shall provide transportation to the pupils attending them. A county superintendent of schools, required to provide for the education in special schools or classes of autistic pupils residing in the district who come within the provisions of this section, may with the approval of the Superintendent of Public Instruction enter into an agreement with an elementary, unified, or high school district for the latter to provide for the education of such autistic pupils.

(d) The State Board of Education shall adopt rules and regulations which shall prescribe standards for special education programs for autistic pupils. Such rules and regulations shall ensure that no county has more than four autistic pupils enrolled in special education classes or programs for autistic pupils per 10,000 average daily attendance. The Superintendent of Public Instruction may waive the number of autistic pupils allowed to be served within each county if he determines that such waiver is necessary to meet the exceptional

needs of autistic pupils.

SEC. 1.5. Section 6820.5 is added to the Education Code, to read:

6820.5. Any regional occupation program or center providing classes for severely handicapped students approved pursuant to Section 7451.7 may be supervised by a person holding a valid special education credential which authorizes the person to teach such students.

SEC. 2. Section 17301 of the Education Code is amended to read:

17301. (a) The State Controller shall, during each fiscal year, transfer from the General Fund of the state to that portion of the State School Fund restricted for elementary and high school purposes, hereinafter called Section A of the State School Fund such sums, in addition to the sums accruing from other sources, as shall provide in Section A of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, as certified by the Superintendent of Public Instruction, of one hundred eighty dollars ($180).

(b) The Controller shall also transfer, as needed during each fiscal year, such additional amounts from the General Fund to Section A of the State School Fund as are certified from time to time by the Superintendent of Public Instruction to be necessary to meet actual computed apportionments from Section A of the State School Fund for the purposes set forth in Section 17303.5; provided that the total of such additional amounts transferred in a fiscal year shall not exceed, except pursuant to subdivision (c) of this section, two hundred fourteen dollars and sixty-four cents ($214.64) for the fiscal year 1976–77 and fiscal years thereafter, per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, as certified by the Superintendent of Public Instruction, less the amount, if any, by which seventy-nine cents ($0.79) multiplied by the number of units of average daily attendance credited during the preceding fiscal year to all elementary, high, and unified school districts and to all county superintendents of schools in the state exceeds twenty-one dollars and fifty cents ($21.50) multiplied by the total average daily attendance credited during the preceding school year to elementary school districts which during the preceding school year had less than 901 units of average daily attendance, to high school districts which during the preceding school year had less than 301 units of average daily attendance, and to unified districts which during the preceding school year had less than 1,501 units of average daily attendance.

(c) In addition to the amounts authorized to be transferred to Section A of the State School Fund under subdivisions (a) and (b) of this section, the Controller shall transfer from the General Fund to Section A of the State School Fund during the fiscal year, upon

certification of the Superintendent of Public Instruction, if necessary to meet actual computed apportionments for the fiscal year for the purposes set forth in Sections 17303 and 17303.5, an amount not to exceed the lesser of: (1) one percent of the total apportionment from Section A of the State School Fund in the preceding fiscal year for the purposes set forth in Sections 17303 and 17303.5, or (2) the net amount, if any, by which the total amounts authorized to be transferred from the General Fund to Section A of the State School Fund under subdivisions (a) and (b) of this section in prior fiscal years have exceeded the total amounts actually apportioned in prior fiscal years for the purposes set forth in Sections 17303 and 17303.5.

(d) He shall also transfer to Section A of the State School Fund any additional amounts appropriated thereto by the Legislature in augmentation of any of the amounts prescribed for any of the purposes set forth in Sections 17303 and 17303.5 and such additional amounts shall be allowed and apportioned by the Superintendent of Public Instruction and warrants therefor drawn by the Controller in the manner provided in Articles 1 (commencing with Section 17300), 2 (commencing with Section 17351), and 3 (commencing with Section 17401) of this chapter, in Sections 11256 and 17251, and in Chapter 3 (commencing with Section 17601) of this division.

(e) Commencing with the 1974–75 fiscal year, the unit amounts under subdivisions (a) and (b) of this section shall be considered to be cumulatively increased or decreased, as the case may be, by an amount equal to the percentage increase or decrease of the statewide ratio of assessed valuation per unit of kindergarten through grade 12 statewide average daily attendance, excluding defined adults, using in such ratios the data for the preceding year compared with the second preceding year.

For the 1974–75 fiscal year, each elementary and high school foundation program shall be increased by sixty dollars ($60) except that if the percentage increase of the statewide ratio of assessed valuation per unit of average daily attendance in kindergarten and grades 1 to 12, inclusive, determined in subdivision (e) is less than seven, the sixty dollars ($60) shall be reduced proportionately, but to no less than fifty dollars ($50).

The Superintendent of Public Instruction shall prepare a report for the Legislature, to be submitted by December 1, 1976, which shall show the most current trends in costs for school districts, equalization of school district expenditures per average daily attendance, equalizations of property taxation for schools, adequacy levels in expenditures per average daily attendance, school enrollment, assessed valuations, assessed valuation per average daily attendance, and general cost changes in the state for the purpose of giving the Legislature information that the Legislature may use to enact new provisions about increases or decreases in the foundation programs for public school support.

(f) The amounts transferred pursuant to this section shall include the amounts required to be transferred by Section 16130 of the

Government Code, exclusive of the amounts required to be transferred pursuant to Section 16130 of the Government Code for the educational need factor and the Early Childhood Educational Program (Chapter 1147, Statutes of 1972).

SEC. 3. Section 17303.5 of the Education Code is amended to read:

17303.5. The amount transferred to Section A of the State School Fund pursuant to subdivision (b) of Section 17301 and Section 17301.5 shall be expended in accordance with the following schedule:

(a) Twenty-one dollars and fifty cents ($21.50) multiplied by the total average daily attendance credited during the preceding school year to elementary school districts which during the preceding school year had less than 901 units of average daily attendance, to high school districts which during the preceding school year had less than 301 units of average daily attendance, and to unified districts which during the preceding school year had less than 1,501 units of average daily attendance, but not to exceed an amount equal to seventy-nine cents ($0.79) multiplied by the average daily attendance credited during the preceding fiscal year to all elementary, high, and unified school districts and to all county superintendents of schools in the state, for allowances to county school service funds pursuant to subdivision (a) of Section 18352.

(b) Seven dollars and eighteen cents ($7.18) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, during the preceding school year for the purposes of Article 10 (commencing with Section 18051) of Chapter 3 of this division.

(c) Twenty-four dollars and sixty-eight cents ($24.68) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, during the preceding school year, for the purposes of Chapter 8 (commencing with Section 6801), Chapter 8.2 (commencing with Section 6870), Chapter 9 (commencing with Section 6901), of Division 6, and Sections 18060, 18062, 18104, and 18105.

(d) Three dollars and forty-four cents ($3.44) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state during the preceding school year for allowances to county school service funds pursuant to subdivision (b) of Section 18352.

(e) Two dollars and seventy-three cents ($2.73) multiplied by the average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state for allowances to school districts for the purposes of Section 6426.

(f) One hundred sixty dollars and ninety-nine cents ($160.99) multiplied by the average daily attendance during the preceding

fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state during the preceding school year for basic aid, equalization aid, allowances for adults, and allowances to the county school tuition funds to be apportioned on account of average daily attendance. The amount expended pursuant to this subdivision shall be annually revised to reflect the adjustment prescribed by subdivision (e) of Section 17301.

(g) Fourteen dollars and forty-three cents ($14.43) multiplied by the average daily attendance during the preceding school year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state for purposes of Chapter 7.1 (commencing with Section 6750) of Division 6.

SEC. 4. Section 18060 of the Education Code is amended to read:

18060. (a) In addition to all other amounts allowed to a school district under this article, the Superintendent of Public Instruction shall allow to each school district for transporting blind, deaf, aphasic, orthopedic or other health-impaired, and other physically impaired pupils handicapped in mobility, mentally retarded pupils who come within the provisions of Section 6903, autistic pupils who come within the provisions of Section 6750.1, and multihandicapped pupils, to and from special day classes, three hundred eighty-nine dollars ($389) for each unit of average daily attendance of such pupils during the fiscal year resulting from the attendance of such pupils on the special day classes to and from which they are transported by the district.

In addition to all other amounts allowed to a school district under this article, the Superintendent of Public Instruction shall allow to each school district for transporting deaf, severely hard-of-hearing, blind, deaf-blind, or other multihandicapped pupils who come within the provisions of Section 6812.5, to and from experimental programs approved by him, three hundred eighty-nine dollars ($389) for each unit of average daily attendance of such pupils during the fiscal year resulting from the attendance of such minor pupils in the experimental programs to and from which they are transported by the district.

(b) The Superintendent of Public Instruction shall allow to the county school service fund of each county for transporting blind, deaf, aphasic, orthopedic or other health-impaired, and other physically impaired pupils handicapped in mobility, mentally retarded pupils who come within the provisions of Section 6903, autistic pupils who come within the provisions of Section 6750.1, and multihandicapped pupils, to and from special day classes, three hundred eighty-nine dollars ($389) for each unit of average daily attendance during the fiscal year resulting from the attendance of such pupils on the special day classes to and from which they are transported by the county superintendent of schools.

The Superintendent of Public Instruction shall allow to the county school service fund of each county for transporting deaf, severely hard-of-hearing, blind, deaf-blind, or other multihandicapped pupils

who come within the provisions of Section 6812.5, to and from experimental programs approved by him, three hundred eighty-nine dollars ($389) for each unit of average daily attendance of such pupils during the fiscal year resulting from the attendance of such pupils in the experimental programs to and from which they are transported by the county superintendent of schools.

(c) For each school district and county superintendent of schools furnishing transportation pursuant to subdivision (a) or subdivision (b) under circumstances requiring the operation of vehicles exclusively for such purpose, the Superintendent of Public Instruction shall allow under each such subdivision 75 percent of any expense in excess of three hundred eighty-nine dollars ($389), but the additional allowance shall not exceed seventy-three dollars ($73), per unit of average daily attendance of such pupils. Such amount shall be allowed as a part of the second principal apportionment upon special request made therefor to, and upon approval by, the Superintendent of Public Instruction.

(d) As used in this section, "physically impaired pupils handicapped in mobility" means those pupils who are deemed eligible for special class placement as defined by the State Board of Education.

(e) If the Superintendent of Public Instruction determines that the current expense of providing transportation under this section does not equal or exceed the allowance provided for such purpose, then the amount of the deficiency shall be withheld from state apportionments to the school district or the county superintendent of schools, as the case may be, in accordance with the procedure prescribed in Section 17414. Such amounts withheld shall then be apportioned, on a pro rata basis against the expenses, to those districts which maintain and operate vehicles exclusively for the transportation of handicapped pupils. In no case shall any district receive an amount greater than its total current expense in providing such transportation.

SEC. 5. Section 18102.6 of the Education Code is amended to read:

18102.6. The Superintendent of Public Instruction shall allow to each school district or county superintendent of schools for the education of educationally handicapped pupils in special classes during the current fiscal year an amount computed as follows:

(a) He shall divide the average daily attendance in each particular class size category by the maximum class size established for each particular class size category, and increase the quotient to the next highest integer where a fractional amount is produced.

(b) He shall then determine for each particular class size category the product of the amount computed under subdivision (a) multiplied by the maximum class size established by law for special day classes for the particular category.

(c) He shall then multiply the amount computed under subdivision (b) by the following amount of the particular level and category:

Category	Elementary grades (K–8)	High school grades (9–12)	Community college grades (13–14)
Educationally handicapped			
Class-size maximum of 12	$1,000	$870	$710
Autistic			
Class-size maximum of 6	$4,500	$4,315	$4,245

SEC. 6. Allowances authorized by Section 18060 may be paid retroactively to July 1, 1975, based on reports of actual costs from school districts and county superintendents of schools.

SEC. 7. If this act is chaptered after the Budget Act of 1976, in lieu of the amounts specified by subdivisions (a) and (b) of Section 17301 of the Education Code as amended by this act, and in lieu of the amounts appropriated by subdivision (a) of Item 332 of the Budget Act of 1976, there is hereby appropriated for transfer by the State Controller during the 1976–77 fiscal year from the General Fund in the State Treasury to Section A of the State School Fund, such sums as needed, in addition to the sums accruing to Section A of the State School Fund from other sources, as shall provide in Section A of State School Fund for apportionment pursuant to Chapter 1 (commencing with Section 17151), Chapter 2 (commencing with Section 17300), and Chapter 3 (commencing with Section 17601), of Division 14 of the Education Code, during the 1975–76 fiscal year, an amount not to exceed four hundred fifty-six dollars and twenty cents ($456.20) per pupil in average daily attendance during the preceding fiscal year credited to all kindergarten, elementary, high school, and adult schools in the state and to the county school tuition funds, as certified by the Superintendent of Public Instruction.

Except with respect to paragraph (7) of subdivision (b), this section is not intended to supersede subdivisions (b) to (h), inclusive, of Item 332 of the Budget Act of 1976.

The amount specified in paragraph (7) of subdivision (b) of Item 332 shall be adjusted by sixty-eight cents ($0.68) to provide for the apportionment of amounts transferred to Section A of the State School Fund during the 1976–77 fiscal year by this act.

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

Chapter 1527 of the Statutes of 1974, effective July 1, 1975, failed to provide sufficient funding to operate classes for autistic children who require greater adult-pupil ratio than most special education programs and failed to provide permission to operate programs for pupils below the age of 5 years 9 months where the most effective

programs can make a difference to long-term educational programs. In order that these essential aspects of the programs may be included at the commencement of such programs, it is necessary that this act take immediate effect.

CHAPTER 322

An act to add Sections 1232.2, 1232.3, and 1232.4 to the Government Code, relating to continuation of state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 2, 1976.]

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

SECTION 1. Section 1232.2 is added to the Government Code, to read:

1232.2. On or after June 30, 1976, no state officer or employee shall be deemed to have a break in service or to have terminated his employment, for any purpose, nor to have incurred any change in his authority, status, or jurisdiction or in his salary or other conditions of employment, solely because of the failure to enact a Budget Bill for the 1976–1977 fiscal year prior to the end of the preceding fiscal year.

Every person who entered state service between June 30, 1976, and the effective date of the Budget Bill for the 1976–1977 fiscal year shall be deemed a state officer or employee, as the case may be, from the time he entered state service until that date, notwithstanding the failure to enact a Budget Bill for the 1976–1977 fiscal year prior to his entry into service.

SEC. 2. Section 1232.3 is added to the Government Code, to read:

1232.3. Funds from each appropriation made in the Budget Act of 1976 may be expended to pay such salary adjustments as are authorized by salary-fixing authorities to provide an increase in the compensation for officers and employees during the month of July 1976 to provide compensation equivalent to that which they would have otherwise received had the Budget Act of 1976 been adopted prior to July 1, 1976.

SEC. 3. Section 1232.4 is added to the Government Code, to read:

1232.4. Funds from each appropriation made in the Budget Act of 1976 may be expended to pay any obligation incurred between the commencement of the 1976–1977 fiscal year and the effective date of the Budget Act of 1976, which would otherwise have been authorized by the Budget Act of 1976 had that act been adopted prior to July, 1976, subject to the same limitations, conditions, and requirements.

SEC. 4. This act is an urgency statute necessary for the

immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The failure to enact a Budget Bill at the 1975–76 Regular Session of the Legislature has created serious question regarding the continuity of employment of state personnel, and it is therefore essential that this act take immediate effect.

CHAPTER 323

An act to amend Sections 5701, 5708, 5746, 5749.8, 5750.6, 5753, 5757, 6499.232, 7451.7, 7456, 7459, 11475, 11477, 11481, 11501, 17301.2, 17301.12, 17303.5, 17303.6, 17411.1, 17601.1, 17611, 17651, 17667, 17669, 17951, 17970, 20906, 20907, and 45000 of, to add Sections 5702.1, 5702.5, 5746.1, 5753.1, 5756, 5756.1, 5757.1, 7451.11, 7463.5, 11476.1, 14245, 14245.2, 17301.9, 17301.13, 17668.6, 17668.8, 17951.1, 20803, 20906.1, 20906.2, 20906.3, 20906.4, 20906.5, 20935, 20935.1, 20935.2, 25515.3, 25515.7, and 45022 to, to repeal Sections 5756, 5758, 11476, 11476.5, 17301.1, 17666.2, 17851, 17904, 20803, 20934.5, 20935, 20935.1, 20935.6, 20935.7, 20936, 20936.5, 20937, 20938, and 45022 of, to add Article 8.2 (commencing with Section 17971) to Chapter 3 of Division 14 of, and to add Chapter 3.9 (commencing with Section 20940) to Division 16 of, the Education Code, and to add Section 2228.1 to the Revenue and Taxation Code, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 2, 1976.]

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

SECTION 1. Section 5701 of the Education Code is amended to read:

5701. Adult schools and evening high schools shall consist of classes for adults. Minors may be admitted to such classes pursuant to Section 5706.

SEC. 2. Section 5702.1 is added to the Education Code, to read:

5702.1. Each governing board maintaining classes for adults shall meet the requirements set forth in Sections 966, 8001, 8002, 8051, 8057, 17199, 17200, 17203, 17206, 20504, and 20951.

SEC. 3. Section 5702.5 is added to the Education Code, to read:

5702.5. No revenue derived from adult average daily attendance shall be expended for other than adult education purposes. Nor shall revenue derived from other average daily attendance be expended for adult education purposes.

SEC. 4. Section 5708 of the Education Code is amended to read:

5708. The Department of Education shall establish standards

including standards of attendance, curriculum, administration, and guidance and counseling service for such classes as a basis for the several apportionments of state funds provided herein for the support of such classes.

The Superintendent of Public Instruction shall prepare and distribute by April 1, 1977, and thereafter maintain, a detailed handbook for use by the local educational agencies and regional councils established pursuant to Section 6268. The handbook shall contain course approval criteria, implementation plans for administrative regulations, and procedures for securing course and program approvals.

SEC. 5. Section 5746 of the Education Code is amended to read:

5746. The governing board of any school district maintaining secondary schools or the county superintendent of schools, shall have the power, with the approval of the Department of Education, to establish special classes for adults designed to serve the educational needs of handicapped adults. Such classes shall be directed to providing instruction in civic, vocational, literary, homemaking, technical, and general education and shall conform to standards of attendance, curriculum, and administration established by the Department of Education.

Attendance of handicapped adults in such classes established by the county superintendent of schools shall be included for purposes of apportionments to the county school service fund.

SEC. 5.5. Section 5746.1 is added to the Education Code, to read:

5746.1. The governing board of any community college district shall have the power, with the approval of the chancellor's office of the Community Colleges, to establish special classes to serve the educational needs of handicapped adults. Such classes shall conform to the standards of attendance, curriculum, and administration established by the chancellor's office of the Community Colleges and shall be included for the purposes of receiving apportionments.

SEC. 6. Section 5749.8 of the Education Code is amended to read:

5749.8. For all schools or classes maintained by the county superintendent of schools as authorized by Section 5750.2 in any county jail, or any county industrial farm or county or joint county road camp, the Superintendent of Public Instruction shall allow the same amount as he would compute for the adult foundation program of a high school district under subdivision (a) of Section 17951.

For purposes of this section, the Superintendent of Public Instruction shall, by rules and regulations, establish minimum standards for the conduct of the schools or classes, including, but not necessarily limited to, class size, attendance requirements, and requirements concerning records to be kept and reports to be submitted.

SEC. 7. Section 5750.6 of the Education Code is amended to read:

5750.6. (a) The board of supervisors of the county shall transfer

from the general fund of the county to the county school service fund of the county superintendent of schools such sums, in excess of the amount of money received from the state by the county superintendent of schools, as the county board of education has deemed necessary to maintain the school programs in the county jail, county industrial farm or county or joint county road camps as described in Section 5750.2.

(b) The board of supervisors, in lieu of proceeding under subdivision (a), shall agree with the governing board of the school district providing classes or schools for prisoners, to transfer from the general fund of the county to the general fund of the district such sums, in excess of the amount of money received on the basis of average daily attendance in such programs, as is necessary to maintain its school programs in the county jail, county industrial farm or county or joint county road camps as described in Section 5750.4.

SEC. 8. Section 5753 of the Education Code is amended to read:

5753. No high school or unified school district shall report for state apportionments average daily attendance in classes: (1) if the district receives full compensation for such class from any public or private agency, individual or group of individuals, except fees authorized by Section 5757; or (2) if such classes are not located in facilities clearly identified in such a manner, and established by appropriate procedures, to insure that attendance in such classes is open to the general public, except those authorized pursuant to Section 5746 and those in state hospitals. The State Board of Education may adopt such regulations as may be necessary to enforce this section.

SEC. 9. Section 5753.1 is added to the Education Code, to read:

5753.1. No community college district shall report for attendance or average daily attendance to the board of governors for apportionment any classes: (1) if the district receives full compensation for direct education costs for such class from any public or private agency, individual or group of individuals, except for that portion of the class not covered by the fees authorized by Section 5757.1; or (2) if such classes are not located in facilities clearly identified in such a manner, and established by appropriate procedures, to insure that attendance in such classes is open to the general public, except those authorized pursuant to Section 5746.1 and those in state hospitals.

The Board of Governors of the California Community Colleges may adopt such regulations as may be necessary to enforce this section.

SEC. 10. Section 5756 of the Education Code is repealed.

SEC. 11. Section 5756 is added to the Education Code, to read:

5756. "Adult," for purposes of this section, means a person 18 years of age and older or a person who is not concurrently enrolled in a regular high school program. Adults enrolled in any classes maintained by high school or unified school districts or county

superintendents of schools pursuant to Sections 45040, 45041, 45042, and 45043 shall be reported separately, and the adult foundation program shall be used in computing district apportionments.

SEC. 12. Section 5756.1 is added to the Education Code, to read:

5756.1. The attendance of adults in community college districts shall be computed in the same manner as the attendance of any other community college student.

SEC. 13. Section 5757 of the Education Code is amended to read:

5757. Except as specified in this section, an adult enrolled in a class for adults may be required by the governing board of the district maintaining the class to pay a fee for such class. No charge of any kind shall be made for a class in English and citizenship for foreigners or a class in an elementary subject. No fee charge shall be made for a class designated by the governing board as a class for which high school credit is granted when such class is taken by a person who does not hold a high school diploma. The total of the fees required and revenues derived from average daily attendance shall not exceed the estimated cost of all such classes maintained.

SEC. 14. Section 5757.1 is added to the Education Code, to read:

5757.1. A student enrolled in a class offered by a community college district which is not eligible for state apportionments may be required by the governing board of the district maintaining the class to pay a fee for such class. The total revenues derived from the fee shall not exceed the estimated cost of all such classes maintained.

SEC. 15. Section 5758 of the Education Code is repealed.

SEC. 15.1. Section 6499.232 of the Education Code is amended to read:

6499.232. Maximum apportionments allowable to school districts shall be determined by the following factors:

(a) An index of "potential impact of bilingual-bicultural pupils" determined by dividing the percent of pupils in the district with Spanish and Oriental surnames, and Indian pupils, as determined by the annual ethnic survey conducted by the Department of Education, by the statewide average percentage of such pupils for unified, elementary, or secondary districts, as appropriate.

(b) A ratio of the district's "index of family poverty," defined as the district's Elementary and Secondary Education Act, Title I entitlement, divided by its average daily attendance in grades 1 through 12, or any thereof maintained, divided in turn by the state average index of family poverty for unified, elementary, or secondary districts, as appropriate.

(c) A ratio of the district's "index of pupil transiency," as computed from the relationship between the district's average daily attendance and its total annual enrollment, divided by the state average index of pupil transiency for unified, elementary, or secondary districts, as appropriate.

The district's total maximum apportionment under this chapter shall be determined by computing the product of (1) one-third the sum of the above three factors, except that if the resulting figure is

higher than 2, the resulting figure shall be deemed to be 2, and if the resulting figure is lower than 0.9 no entitlement shall be computed for such a district, unless the district had an average daily attendance in excess of 60,000 for the 1972–73 school year and has more than 8,000 pupils receiving aid for dependent children, in which case the resulting figure shall be deemed to be 0.9; (2) the number of pupils receiving aid for dependent children support; and (3) a constant amount of three hundred dollars ($300), or such amount as the Superintendent of Public Instruction may determine so that the sum of all allocations will not exceed the funds appropriated by the Legislature for the purposes of this chapter.

No allocation shall be made to a school district whose index computed pursuant to item (1) is less than 0.9, whose average daily attendance for the 1972–73 school year was more than 60,000, and which had more than 8,000 pupils receiving aid for dependent children, unless sufficient funds have been appropriated so that the Superintendent of Public Instruction is not required, because of insufficient funds, to reduce the allocation to other districts which receive such funds below the allocation for the 1973–74 fiscal year.

SEC. 16. Section 7451.11 is added to the Education Code, to read:

7451.11. (a) Each regional occupational program or center shall be maintained by, and subject to the authority and control of, its governing board.

(b) The governing board of a regional occupational program or center maintained by a single school district is the governing board of the school district.

(c) The governing board of a regional occupational program or center maintained by a county superintendent of schools is the county board of education.

(d) The governing board of a regional occupational program or center established by two or more school districts pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, shall consist of at least one member of the governing board of each of the school districts cooperating in such regional occupational program or center, such member to be selected by the governing board of the district represented by that member.

SEC. 17. Section 7451.7 of the Education Code is amended to read:

7451.7. The curriculum provided by a regional occupational center or regional occupational program shall be subject to the approval of the department and shall comply with all requirements and standards set forth in the State Plan for Vocational Education. The department shall approve regional occupational centers only after giving due consideration to vocational education opportunities offered by community colleges serving the same geographical area. The State Board of Education shall adopt rules and regulations establishing guidelines and criteria for differentiating between courses appropriate for regional occupational centers or regional

occupational programs and those appropriate for high schools.

The Superintendent of Public Instruction shall prepare and distribute by April 1, 1977, and thereafter maintain, a detailed handbook for use by the local educational agencies and regional councils established pursuant to Section 6268. The handbook shall contain course approval criteria, implementation plans for administrative regulations, and procedures for securing course and program approvals.

SEC. 18. Section 7456 of the Education Code is amended to read:

7456. (a) The county superintendent of schools, with the approval of the county board of education, and the governing board of each school district, or joint powers governing board, which maintains a regional occupational center or regional occupational program pursuant to this chapter, shall certify to the county auditor and to the county board of supervisors, on or before August 10 of each year, the amount of money required to be raised by a tax for the education of pupils attending the regional occupational center, or regional occupational program, maintained by the county superintendent of schools or by a school district, as the case may be, and for the purposes set forth in Section 7453.

(b) The amount shall be determined by subtracting from the total revenue limit determined pursuant to paragraph (3) of this subdivision in the regional occupational center, or regional occupational program, including transportation, to the county superintendent of schools or school district, as the case may be, the amount received pursuant to Section 7459. At the time of levying county taxes, the board of supervisors shall levy a county tax for each regional occupational center, or regional occupational program, maintained in the county by the county superintendent of schools pursuant to this chapter sufficient to produce the amount required by this section, upon the following taxable property within school districts under the jurisdiction of the county superintendent maintaining the regional occupational center or regional occupational center program:

(1) In a county in which the governing board of a school district is not maintaining a regional occupational center or regional occupational program pursuant to this chapter, upon all the taxable property within school districts under the jurisdiction of the county superintendent maintaining the regional occupational center or regional occupational center program.

(2) In a county in which the governing boards of one or more school districts are maintaining a regional occupational center or regional occupational program pursuant to this chapter, upon the taxable property within that portion of the territory within school districts under the jurisdiction of the county superintendent maintaining the regional occupational center or regional occupational program which is not included in the territory of such school districts.

(3) For the 1976–77 fiscal year, the revenue limit per average daily

attendance for county regional occupational centers and regional occupational programs, as the case may be, shall be the expenditure per average daily attendance in either the 1974–75 or the 1975–76 fiscal year adjusted by the same percentage increase that is allowed to the regular high school foundation program for the 1976–77 fiscal year. In subsequent years, the county revenue limit shall be adjusted by the percentage increase in the regular high school foundation program; provided, however, that the revenue limit per average daily attendance for each county-operated regional occupational program or center for the 1977–78 and subsequent fiscal years may be increased by a percentage of no more than the weighted average revenue limit per average daily attendance percentage increase of the participating school districts in that county.

(c) The amount received from this tax shall be deposited in the county school service fund, or, if the regional occupational center, or regional occupational program, for which such tax was levied is maintained by a school district, in the county treasury to the credit of the general fund of that school district.

(d) The maximum rate of the countywide tax levied for the purposes of this section, except for the purposes set forth in Section 7453, shall not exceed ten cents ($0.10) on each one hundred dollars ($100) of assessed valuation within the county and the maximum rate of the district tax levied under this section for the purposes set forth in Section 7453 shall not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation in the district.

(e) As used in this section, school district includes each of those school districts which are cooperating in the maintenance of a regional occupational center, or regional occupational program, with the approval of the county superintendent of schools pursuant to Section 7451.

SEC. 19. Section 7459 of the Education Code is amended to read:

7459. A regional occupational center or program established and maintained by a county superintendent of schools or pursuant to a joint powers agreement pursuant to the provisions of Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code shall receive in annual operating funds from each of the participating school districts an amount per unit of average daily attendance equal to the revenue limit received by such districts for each unit of average daily attendance generated in the regional occupational center or program.

SEC. 20. Section 7463.5 is added to the Education Code, to read:

7463.5. Each governing board establishing or maintaining a regional occupational center or program pursuant to Section 7451.11 shall meet the requirements set forth in Sections 966, 8001, 8002, 8051, 8057, 17199, 17200, 17203, 17206, and 20504.

SEC. 21. Section 11475 of the Education Code is amended to read:

11475. The units of average daily attendance for apportionment purposes of regularly enrolled students of a community college

district during the academic year, as defined in Section 25511.5, and subject to the provisions of Section 5753.1 shall be computed by multiplying the weekly student contact hours of enrollment as recorded for the census day of the fourth week of five or six consecutive schooldays each semester or quarter by statewide factors heretofore established by the Board of Governors of the California Community Colleges, subject to review by the Department of Finance. The census day shall be Monday of the fourth week of regularly scheduled classes in the semester or quarter.

Such factors shall be reviewed from time to time by the Board of Governors of the California Community Colleges, subject to review by the Department of Finance.

Attendance of such students enrolled in classes conducted in summer sessions, as distinct from summer quarters, of four weeks or more shall be counted in the computation of average daily attendance for apportionment purposes under the provisions of this section using the following formula: Multiply the sum of the weekly student contact hours of enrollment in each class during the census week of each class of the summer session by the number of scheduled weeks for each class, multiply the product so derived by the statewide factors established by the Board of Governors of the California Community Colleges, subject to review by the Department of Finance, and divide by 525. The census day shall be Monday of the second week. For classes of less than four weeks, the units of average daily attendance shall be computed by dividing the total actual class hours of attendance by 525.

SEC. 22. Section 11476 of the Education Code is repealed.

SEC. 22.5. Section 11476.1 is added to the Education Code, to read:

11476.1. Contact hours of enrollment in noncredit courses shall be based upon a count of students present at each course meeting. Average daily attendance in noncredit courses shall be computed by dividing the sum of contact hours of enrollment by 525.

SEC. 23. Section 11476.5 of the Education Code is repealed.

SEC. 24. Section 11477 of the Education Code is amended to read:

11477. The attendance of all students not residents of a community college district enrolled in courses during the academic year shall be kept separately from all other attendance and the units of average daily attendance for such students shall be computed on an individual basis in the manner prescribed in Section 11475.

The units of average daily attendance of students and adults not residents of the community college district enrolled in summer schools and classes for adults shall be kept separately from all other attendance and be computed on an individual basis in the manner prescribed in Section 11475.

SEC. 25. Section 11481 of the Education Code is amended to read:

11481. The total units of average daily attendance in the

community colleges of a district shall be the total of units of average daily attendance computed under Sections 11475, 11476.1 11477, and 11484.

SEC. 26. Section 11501 of the Education Code is amended to read:

11501. The units of average daily attendance in classes for adults for a fiscal year maintained by a district, other than a community college district, shall be computed by dividing the total days of pupils' attendance in such classes during the fiscal year by 175.

SEC. 26.11. Section 14245 is added to the Education Code, to read:

14245. The first three hundred dollars ($300) of the monthly allowances payable by the system to retirants, disabilitants, and beneficiaries are increased as of January 1, 1977, as follows if the member had 20 or more years of credited service:

(a) For those with effective dates prior to July 1, 1972, 9 percent;

(b) For those with effective dates from July 1, 1972, to June 30, 1973, 6 percent;

(c) For those with effective dates from July 1, 1973, to June 30, 1974, 3 percent.

SEC. 26.13. Section 14245.2 is added to the Education Code, to read:

14245.2. The state shall contribute nine million three hundred thousand dollars ($9,300,000) annually to the Teachers' Retirement Fund for a period of 28 years from July 1, 1976, until July 1, 2004. This amount shall be paid in equal monthly installments.

SEC. 27. Section 17301.1 of the Education Code is repealed.

SEC. 28. Section 17301.2 of the Education Code is amended to read:

17301.2. (a) The State Controller shall during each fiscal year, commencing with the 1974–75 fiscal year, transfer from the General Fund to Section A of the State School Fund such amount, in addition to all other amounts appropriated and transferred to Section A of the State School Fund, as shall provide in Section A of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state as certified by the Superintendent of Public Instruction, of twenty-five dollars and forty-five cents ($25.45) in the 1976–77 fiscal year and an additional six dollars and thirty-seven cents ($6.37) in each fiscal year thereafter to a maximum of thirty-eight dollars and nineteen cents ($38.19).

The amounts transferred pursuant to this section shall be apportioned and disbursed by the Superintendent of Public Instruction as an increase per unit of average daily attendance in the foundation program prescribed in Section 17668.5 and as prescribed in Section 17668.8.

(b) The State Controller shall during each fiscal year, commencing with the 1974–75 fiscal year, transfer from the General

Fund to Section B of the State School Fund such amount, in addition to all other amounts appropriated and transferred to Section B of the State School Fund, as shall provide in Section B of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all community college districts in the state as certified by the Chancellor of the California Community Colleges of fourteen dollars and fifty-six cents ($14.56) in the 1974–75 fiscal year and an additional two dollars and eighty cents ($2.80) in each fiscal year thereafter to a maximum of twenty-five dollars and seventy-six cents ($25.76).

The amounts transferred pursuant to this section shall be apportioned and disbursed by the Chancellor of the California Community Colleges as an increase per unit of average daily attendance in the foundation programs prescribed in Section 17668.6.

SEC. 28.5. Section 17301.9 is added to the Education Code, to read:

17301.9. (a) In lieu of the amounts which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1975–76 fiscal year pursuant to subdivisions (a) and (b) of Section 17301 there is hereby appropriated for transfer by the State Controller during the 1975–76 fiscal year from the General Fund in the State Treasury to Section A of the State School Fund, such sums as needed, in addition to the sums accruing to Section A of the State School Fund from other sources, as shall provide in Section A of State School Fund for apportionment pursuant to Chapter 1 (commencing with Section 17151), Chapter 2 (commencing with Section 17300), and Chapter 3 (commencing with Section 17601), this division, during the 1975–76 fiscal year, an amount not to exceed four hundred forty-two dollars and thirty-one cents ($442.31) per pupil in average daily attendance during the preceding fiscal year credited to all kindergarten, elementary, high school, and adult schools in the state and to the county school tuition funds, as certified by the Superintendent of Public Instruction.

(b) In lieu of the schedule of expenditures prescribed by Sections 17303 and 17303.5, the amount to be transferred to the State School Fund for the 1975–76 fiscal year pursuant to subdivision (a) of this section shall be expended during such fiscal year in accordance with the following schedule:

(1) Twenty-one dollars and fifty cents ($21.50) multiplied by the total average daily attendance credited during the preceding school year to elementary school districts which during the preceding school year had less than 901 units of average daily attendance, to high school districts which during the preceding school year had less than 301 units of average daily attendance, and to unified districts which during the preceding school year had less than 1,501 units of average daily attendance, but not to exceed seventy-nine cents ($0.79) multiplied by the average daily attendance credited during

the preceding fiscal year to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds, for allowance to county school service funds pursuant to subdivision (a) of Section 18352.

(2) Seven dollars and eighteen cents ($7.18) multiplied by the total average daily attendance credited to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for the purpose of Article 10 (commencing with Section 18051) of Chapter 3 of this division.

(3) Twenty-four dollars and sixty-eight cents ($24.68) multiplied by the total average daily attendance credited to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for the purposes of Sections 18060 and 18062 and Article 11 (commencing with Section 18101) of Chapter 3 of this division.

(4) Three dollars and forty-four cents ($3.44) multiplied by the total average daily attendance credited to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for allowances to county school service funds pursuant to subdivision (b) of Section 18352.

(5) Two dollars and seventy-three cents ($2.73) multiplied by the total average daily attendance credited to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for allowances to school districts for the purposes of Section 6426.

(6) Three hundred eighty-nine dollars and seventy-four cents ($389.74) multiplied by the total average daily attendance credited to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds during the preceding fiscal year for basic aid, equalization aid, allowances for adults, and allowances to the county school tuition funds to be apportioned on account of average daily attendance.

(7) Thirteen dollars and seventy-five cents ($13.75) multiplied by the average daily attendance during the preceding school year credited to all kindergarten, elementary, high school, and adult schools in the state and to county school tuition funds for purposes of Chapter 7.1 (commencing with Section 6750) of Division 6.

(c) Of the amount appropriated pursuant to subdivision (a) of this section, not more than five million dollars ($5,000,000) may be expended in the 1975–76 fiscal year for new programs as determined by the Superintendent of Public Instruction, including, but not limited to, regional occupation centers and programs and special programs under exceptional circumstances as determined by the Superintendent of Public Instruction. The Superintendent of Public Instruction shall provide a quarterly report to the Chairman of the Joint Legislative Budget Committee and the Director of Finance on the expenditures made pursuant to this subdivision.

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(d) (1) Notwithstanding Section 17901, 17902, and 17951, or of any other provision of law to the contrary of the amounts appropriated in subdivision (a) for the purposes of this section, and except as provided in subdivision (c), the Superintendent of Public Instruction shall apportion to county superintendents of schools and school districts state aid adjusted for the 1975–76 fiscal year foundation program increases for not more than 105 percent of the 1974–75 second principal apportionment average daily attendance for each of the following programs:

(aa) High school regular adults.

(bb) High school defined adults and regional occupational centers and regional occupational programs' defined adults.

(cc) Regional occupational centers and regional occupational programs maintained by a single school district or by school districts pursuant to a joint powers agreement.

(dd) Regional occupational centers and regional occupational programs maintained by a county superintendent of schools.

(2) A county superintendent of schools or a school district may exceed the apportionment limit in a particular program; provided that the total combined amount of state aid apportioned for all programs managed by the county superintendent of schools or the school district, as the case may be, in programs (aa), (bb), (cc), and (dd) above, does not exceed the overall apportionment limits provided for in paragraph (1) of subdivision (d).

In determining the amount of state aid to be apportioned for defined adults, the Superintendent of Public Instruction shall use the actual average daily attendance of other than defined adults in the divisor of the defined adult apportionment formula for purposes of determining the defined adult unit rate.

(3) If funds remain after the apportionment of state aid pursuant to this subdivision because some programs do not expand to 105 percent of the 1974–75 second principal apportionment average daily attendance, such funds may be apportioned to school districts and county superintendents of schools for programs which will exceed the apportionment limit or for programs specified in subdivision (c).

(e) For purposes of apportionments for pupils enrolled in regional occupational centers, and regional occupational programs, adult classes and summer school programs, in the 1975–76 fiscal year, no attendance shall be credited for absences for any reason, including illness in such programs, except where a pupil is enrolled concurrently in a regional occupation center and a regular high school program or a regional occupation program and a regular high school program.

(f) This section shall not be interpreted to impose a limitation upon enrollment.

(g) No amount shall be expended for the purposes specified in subdivision (c) unless the programs for which such expenditures are made are approved pursuant to Chapter 14 (commencing with Section 7450) of Division 6 of and Division 29 (commencing with Section 45000).

SEC. 29. Section 17301.12 of the Education Code is amended to read:

17301.12. (a) The State Controller shall during each fiscal year transfer from the General Fund of the state to that portion of the State School Fund restricted for community college purposes, hereinafter called Section B of the State School Fund, such sums, in addition to the sums accruing from other sources, as shall provide in Section B of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all community colleges and adult schools maintained in conjunction with community colleges in the state, as certified by the Chancellor of the California Community Colleges, of one hundred eighty dollars ($180).

(b) The Controller shall also transfer, as needed during each fiscal year, such additional amounts from the General Fund to Section B of the State School Fund as are certified from time to time by the Chancellor of the California Community Colleges to be necessary to meet actual computed apportionments from the State School Fund for the purposes set forth in Section 17303.1; provided that the total of such additional amounts transferred in a fiscal year shall not exceed, except pursuant to subdivision (c) of this section, four hundred thirty-four dollars and four cents ($434.04) for the 1976–77 fiscal year and fiscal years thereafter, per pupil in average daily attendance during the preceding fiscal year credited to all community colleges in the state, as certified by the Chancellor of the California Community Colleges.

(c) In addition to the amounts authorized to be transferred to Section B of the State School Fund from the General Fund under subdivisions (a) and (b) of this section, the Controller shall transfer from the General Fund to Section B of the State School Fund during each fiscal year, commencing with 1977–78, upon certification of the Chancellor of the California Community Colleges, an amount sufficient to increase state apportionments as required pursuant to Sections 17971.2 and 17971.3.

(d) In addition to the amounts authorized to be transferred to Section B of the State School Fund from the General Fund under subdivisions (a) and (b) of this section, the Controller shall transfer from the General Fund to Section B of the State School Fund during the fiscal year, upon certification of the Chancellor of the California Community Colleges, if necessary to meet actual computed apportionments for the fiscal year for the purposes set forth in Section 17303.1, an amount not to exceed 1 percent of the total apportionment from Section B of the State School Fund in the preceding fiscal year for the purposes set forth in Section 17303.1.

(e) He shall also transfer to Section B of the State School Fund any additional amounts appropriated thereto by the Legislature in augmentation of any of the amounts prescribed for any of the purposes set forth in Section 17303.1 and such additional amounts

shall be allowed and apportioned by the Chancellor of the California Community Colleges and warrants therefor drawn by the Controller in the manner provided in Articles 1 (commencing with Section 17300), 2 (commencing with Section 17351), and 3 (commencing with Section 17401) of this chapter, in Sections 11256 and 17251, and in Chapter 3 (commencing with Section 17601) of this division.

SEC. 29.5. Section 17301.13 is added to the Education Code, to read:

17301.13. (a) In lieu of the amounts which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1975–76 fiscal year pursuant to subdivision (a) and subdivision (b) of Section 17301.12, there is hereby appropriated for transfer by the State Controller during the 1975–76 fiscal year from the General Fund in the State Treasury to Section B of the State School Fund, such sums as needed, in addition to the sums accruing to Section B of the State School Fund from other sources, as shall provide in Section B of the State School Fund for apportionment pursuant to Chapter 1 (commencing with Section 17151), Chapter 2 (commencing with Section 17300), and Chapter 3 (commencing with Section 17601), of this division during the 1975–76 fiscal year, an amount not to exceed five hundred seventy-four dollars and eighty-seven cents ($574.87) per pupil in average daily attendance during the preceding fiscal year credited to all community colleges in the state as certified by the Chancellor of the California Community Colleges.

(b) In lieu of the schedule of expenditures prescribed by Sections 17303.1 and 17303.6 of the Education Code, the amount to be transferred to Section B of the State School Fund for the 1975–76 fiscal year pursuant to subdivision (a) of this section shall be expended during such fiscal year in accordance with the following schedule:

(1) Five hundred sixty-two dollars and sixty-eight cents ($562.68) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for basic aid and equalization aid to be apportioned to community college districts on account of average daily attendance.

(2) Five dollars and eighty-five cents ($5.85) multiplied by total average daily attendance credited to community college districts during the preceding fiscal year for the purposes of Chapter 8 (commencing with Section 6801), Chapter 9 (commencing with Section 6901), of Division 6, and Sections 18060 and 18062.

(3) One dollar and seventy-six cents ($1.76) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for the purposes of Chapter 7.1 (commencing with Section 6750) of Division 6.

(4) One dollar and seventy-six cents ($1.76) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for the purposes of Article 10 (commencing with Section 18051) of Chapter 3 of this division.

(5) Two dollars and eighty-two cents ($2.82) multiplied by the average daily attendance during the preceding school year credited to all community college districts for the purpose of Article 12 (commencing with Section 18151) of Chapter 3 of Division 14.

(c) (1) Notwithstanding Sections 17904 and 17951, or any other provision of the law to the contrary, of the amounts appropriated in subdivision (a) for the purpose of this section, and except as provided in subdivision (d), the chancellor shall apportion to community college districts state aid adjusted for the 1975–76 fiscal year foundation program increases for not more than 105 percent of the 1974–75 second principal apportionment average daily attendance for each of the following programs:

(aa) Defined adults.

(bb) Other than defined adults.

(2) A community college district may exceed the apportionment limit in either the defined adult or other than defined adult programs; provided that the total combined amount of state aid apportioned for both programs does not exceed the overall apportionment limits provided for in subdivision (c) (1).

In determining the amount of state aid to be apportioned for defined adults, the Chancellor of the California Community Colleges shall use the actual average daily attendance of other than defined adults in the divisor of the defined adult apportionment formula for purposes of determining the defined adult unit rate.

(3) If funds remain after the apportionment of state aid pursuant to this subdivision because some programs do not expand to 105 percent of the 1974-75 second principal apportionment average daily attendance, such funds may be apportioned to community college districts for programs which will exceed the apportionment limit or for programs specified in subdivision (d).

(d) Of the amounts appropriated pursuant to subdivision (a) of this section not more than five million dollars ($5,000,000) may be expended for new programs in community college districts as determined by the chancellor, including, but not limited to, new community college districts, community college districts with new campuses, and community colleges with annexed territory and special programs under exceptional circumstances as determined by the chancellor. The chancellor shall provide a quarterly report to the Chairman of the Joint Legislative Budget Committee and the Director of Finance on the expenditures made pursuant to this subdivision.

(e) This section shall not be interpreted to impose a limitation upon enrollment.

(f) No amount shall be expended pursuant to this section unless the courses for which such expenditures are made have been approved pursuant to Section 25516.5.

SEC. 29.6. Section 17303.5 of the Education Code is amended to read:

17303.5. The amount transferred to Section A of the State School

Fund pursuant to subdivision (b) of Section 17301 and Section 17301.5 shall be expended in accordance with the following schedule:

(a) Twenty-one dollars and fifty cents ($21.50) multiplied by the total average daily attendance credited during the preceding school year to elementary school districts which during the preceding school year had less than 901 units of average daily attendance, to high school districts which during the preceding school year had less than 301 units of average daily attendance, and to unified districts which during the preceding school year had less than 1,501 units of average daily attendance, but not to exceed an amount equal to seventy-nine cents ($0.79) multiplied by the average daily attendance credited during the preceding fiscal year to all elementary, high, and unified school districts and to all county superintendents of schools in the state, for allowance to county school service funds pursuant to subdivision (a) of Section 18352.

(b) Eleven dollars and forty-one cents ($11.41) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, during the preceding school year for the purposes of Article 10 (commencing with Section 18051) of Chapter 3 of this division.

(c) Twenty-nine dollars and twenty-seven cents ($29.27) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, during the preceding school year, for the purposes of Chapter 8 (commencing with Section 6801), Chapter 8.2 (commencing with Section 6870), Chapter 9 (commencing with Section 6901), of Division 6, and Sections 18060, 18062, 18104, and 18105.

(d) Three dollars and forty-four cents ($3.44) multiplied by the total average daily attendance credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state during the preceding school year for allowances to county school service funds pursuant to subdivision (b) of Section 18352.

(e) Three dollars and eighteen cents ($3.18) multiplied by the average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state for allowances to school districts for the purposes of Section 6426.

(f) Two hundred eighty dollars and sixty-four cents ($280.64) multiplied by the average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state during the preceding school year for basic aid, equalization aid, allowances for adults, and allowances to the county school tuition funds to be apportioned on account of average daily attendance. The amount expended pursuant to this subdivision shall be annually revised to reflect the adjustment prescribed by subdivision (e) of Section 17301.

(g) Sixteen dollars and forty-eight cents ($16.48) multiplied by the average daily attendance during the preceding school year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state for purposes of Chapter 7.1 (commencing with Section 6750) of Division 6.

SEC. 30. Section 17303.6 of the Education Code is amended to read:

17303.6. The amount transferred to Section B of the State School Fund pursuant to subdivision (b) of Section 17301.12 shall be expended in accordance with the following schedule:

(a) Four hundred twenty-one dollars and eighty-five cents ($421.85) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for basic aid and equalization aid to be apportioned to community college districts on account of average daily attendance. This amount shall be increased by the amount necessary to equalize the total expenditures from this section to the transfers from the General Fund to the State School Fund required by subdivisions (b), (c), (d), and (e) of Section 17301.12.

(b) Five dollars and eighty-five cents ($5.85) multiplied by total average daily attendance credited to community college districts during the preceding fiscal year for the purposes of Chapter 8 (commencing with Section 6801), Chapter 9 (commencing with Section 6901), of Division 6, and Sections 18060 and 18062.

(c) One dollar and seventy-six cents ($1.76) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for the purposes of Chapter 7.1 (commencing with Section 6750) of Division 6.

(d) One dollar and seventy-six cents ($1.76) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for the purposes of Article 10 (commencing with Section 18051) of Chapter 3 of this division.

(e) Two dollars and eighty-two cents ($2.82) multiplied by the average daily attendance during the preceding school year credited to all community college districts for the purpose of Article 12 (commencing with Section 18151) of this chapter.

SEC. 30.5. Section 17303.6 of the Education Code is amended to read:

17303.6. The amount transferred to Section B of the State School Fund pursuant to subdivision (b) of Section 17301.12 shall be expended in accordance with the following schedule:

(a) Four hundred twenty-one dollars and eighty-five cents ($421.85) multiplied by the total average daily attendance credited to community college districts during the preceding fiscal year for basic aid and equalization aid to be apportioned to community college districts on account of average daily attendance. This amount shall be increased by the amount necessary to equalize the total expenditures from this section to the transfers from the General

Fund to the State School Fund required by subdivisions (b), (c), (d), and (e) of Section 17301.12.

(b) Twelve dollars and nineteen cents ($12.19) multiplied by the average daily attendance during the preceding school year credited for purposes of state apportionments to all community college districts for the purpose of Article 12 (commencing with Section 18151) of this chapter.

SEC. 31. Section 17411.1 of the Education Code is amended to read:

17411.1. The Chancellor of the California Community Colleges shall withhold from the apportionment to a community college district, as a part of the first principal apportionment and second principal apportionment, the amount allowed the district for the average daily attendance in grades 13 and 14 by reason of the operation of Sections 17971 through 17971.7 of pupils residing in the district who were in attendance at a community college in another district. The amount withheld per unit of average daily attendance shall be determined by dividing the total amount of basic state aid and state equalization aid computed for the district of residence of such pupils by the total resident average daily attendance of the district.

The Chancellor of the California Community Colleges shall add the amount withheld to the apportionment required to be made to the community college district maintaining the community college at which the pupils were in attendance.

SEC. 32. Section 17601.1 of the Education Code is amended to read:

17601.1. For the purposes of this chapter, the governing board of each school district and community college district shall report to the Superintendent of Public Instruction or chancellor, as appropriate, during each fiscal year the average daily attendance of the district for all full school months during (1) the period between July 1st and December 31st, inclusive, to be known as the "first period" report for the first principal apportionment, and (2) the period between July 1st and April 15th, inclusive, to be known as the "second period" report for the second principal apportionment. The county superintendent of schools shall report the average daily attendance for the schools and classes maintained by him and the average daily attendance for the county school tuition fund. If the average daily attendance in the regular day schools of a district for the period of time between July 1 and June 30 is greater or lesser than the average daily attendance in the regular day schools reported for the second period report, the appropriate increases and decreases in the several categories of attendance for which separate foundation programs are required to be computed shall be recomputed on the basis of the foundation program and assessed valuation of the district of the fiscal year in which such increases and decreases in average daily attendance were applicable and the appropriate increases and decreases in apportionments shall be added or withheld in the next

succeeding fiscal year pursuant to Section 17414.

Each report shall be prepared in accordance with instructions on forms prescribed and furnished by the Superintendent of Public Instruction and average daily attendance shall be computed in the following manner:

(a) The average daily attendance in the regular elementary, junior high, and high schools maintained by the school districts shall be determined by dividing the total number of days of attendance allowed in all full school months in each period, by the number of days such schools are actually taught in all full school months in each period, exclusive of Saturdays or Sundays.

With the exception of days of attendance in special day classes convened, or other instruction provided a pupil for days in a school year which are in excess of the number of days in the school year on which the regular day schools of a district are convened, if the average daily attendance in schools and classes maintained by school districts other than regular day schools and classes for the period of time between July 1 and June 30 is greater or lesser than the average daily attendance in such schools and classes reported for the second period report, the separate state support which is provided for attendance in such schools and classes shall be recomputed on the basis of the fiscal year average daily attendance, and increases and decreases in apportionments shall be added or withheld in the next succeeding fiscal year pursuant to Section 17414.

(b) The average daily attendance of each community college shall be determined pursuant to the provisions of Article 5 (commencing with Section 11475). For community colleges under the provisions of this paragraph, the "first period" shall be the summer session and the fall semester for semester-system colleges, the summer and fall quarter for colleges on the three-quarter system, and the summer and fall quarters for colleges on the four-quarter system. The "second period" shall be the "academic year" which is the summer session plus the first and second semester for semester-system colleges, the summer session plus the first and second quarters for three-quarter-system colleges, and the summer, fall, and winter quarters for four-quarter-system colleges.

The "academic year" for three- or four-quarter-system colleges is reported on the annual report and adjustments shall be made as set forth in the first paragraph of this section.

(c) The average daily attendance in summer school and outdoor science and conservation education classes maintained during the period between the last day the regular day schools are in session during the preceding year and the first day the regular day schools are in session during the current year shall be reported on both the first period and second period reports. Such average daily attendance shall be computed by dividing the days of attendance allowed by 175. For community colleges, the hours of attendance shall be divided by 525 for all classes of less than four weeks duration. For summer sessions of four weeks or more, average daily attendance

shall be computed as provided in Section 11475.

(d) The attendance for schools and classes maintained by the county superintendent of schools and for the county school tuition fund credited after the last full school month of the second period of the preceding year and prior to the end of each reporting period shall be reported on each report. The average daily attendance of the school, class, or fund shall be determined for the first period by dividing the days of attendance allowed by 100 and for the second period, the days of attendance allowed shall be divided by 175.

(e) The days of attendance in classes for adults, continuation schools and classes, regional occupation centers and opportunity schools and classes maintained after the last full school month of the second period of the preceding year and prior to the end of each reporting period shall be reported on each report. The average daily attendance in such schools and classes shall be determined for the first period by dividing the days of attendance allowed by 100; for the second period, the days of attendance allowed shall be divided by 175 for kindergarten and grades 1 to 12, inclusive.

SEC. 33. Section 17611 of the Education Code is amended to read:

17611. For the purposes of computation of allowances and apportionments from the State School Fund, whenever computations of apportionments based on average daily attendance are made for community college districts only the attendance in all classes which have been reported as attached to, or as a part of, a community college which maintains grades 13 and 14 shall be included.

SEC. 34. Section 17651 of the Education Code is amended to read:

17651. The Superintendent of Public Instruction shall compute for each elementary, high school, and unified district the appropriate amount of a foundation program of school support therefor, in the manner prescribed by this article, using the dollar amounts contained in the various sections of this article which apply.

SEC. 35. Section 17666.2 of the Education Code is repealed.

SEC. 36. Section 17667 of the Education Code is amended to read:

17667. Each computation required by this article for high school districts shall be made after excluding from the average daily attendance for the fiscal year the average daily attendance of adults, as adults are defined in Section 5756, and the average daily attendance in classes for inmates of any state penal institution for adults or of any city, county, or city and county jail, road camp or farm for adults during the fiscal year.

SEC. 38. Section 17668.6 is added to the Education Code, to read:

17668.6. The chancellor's office of the California Community Colleges each year shall compute an amount of state aid in support of Community College State Teachers' Retirement contributions determined as follows:

(a) Compute an amount to be known as district aid which a tax levied on each one hundred dollars ($100) of 100 percent of the assessed valuation in such district as shown by the equalized assessment role of the district for the current year as modified pursuant to Section 17262 would produce if levied if such tax was one and six-tenths cents ($0.016) in the 1976–77 fiscal year and an additional two-tenths of one cent ($0.002) in each fiscal year thereafter to a maximum of two cents ($0.02).

(b) Compute an amount to be known as the Foundation Program by multiplying the average daily attendance of such community college district by thirty-two dollars ($32) for the 1976–77 fiscal year and an additional four dollars ($4) in each fiscal year thereafter to a maximum of forty dollars ($40).

(c) Subtract the result of subdivision (a) from the result of subdivision (b) for such district the difference to be known as state aid for the State Teachers' Retirement increase.

Further, the chancellor's office of the California Community Colleges shall identify to each community college district the amount of increased state aid granted under this section which shall be used as a limitation on the taxes that may be levied and collected annually under the provisions of Section 14111 of the Education Code.

SEC. 38.1. Section 17668.8 is added to the Education Code, to read:

17668.8. For the fiscal year 1976–77, and each fiscal year thereafter in the event that the allowances provided pursuant to Section 17668.5 plus the revenue derived by the tax authorized by Section 14111 is not sufficient to fund the school district liability pursuant to Section 14100, the Superintendent of Public Instruction shall allow to each elementary school district, high school district, and unified school district, amounts as determined as follows:

(a) He shall determine what rate of tax levied on each one hundred dollars ($100) of the assessed valuation of the district as shown by the equalized assessment roll of the district, hereinafter referred to as the computed tax rate, would, if levied, produce such amount. If the computed tax rate is:

(1) In the case of a unified school district greater than fifteen cents ($0.15) but less than twenty-four cents ($0.24) he shall pay to the district all of the balance in excess of fifteen cents ($0.15).

(2) In the case of a high school district greater than five cents ($0.05) but less than eight cents ($0.08), he shall pay all of the balance in excess of five cents ($0.05).

(3) In the case of an elementary school district greater than ten cents ($0.10) but less than sixteen cents ($0.16), he shall pay all of the balance in excess of ten cents ($0.10).

(b) If the amount computed in subdivision (a) is still not sufficient to pay the contribution required pursuant to Section 14100, then the Superintendent of Public Instruction shall allow such amounts in excess of the computed tax rates which:

(1) In the case of a unified school district, he shall pay 50 percent

of that amount required in excess of the computed tax rate of twenty-four cents ($0.24) but less than thirty-six cents ($0.36).

(2) In the case of a high school district, he shall pay 50 percent of the computed tax rate required in excess of eight cents ($0.08) but less than twelve cents ($0.12).

(3) In the case of an elementary school district, he shall pay 50 percent of the computed tax rate required in excess of sixteen cents ($0.16) but less than twenty-four cents ($0.24).

(c) If the amount computed in subdivision (b) is still not sufficient to pay the contribution required pursuant to Section 14100, then he shall pay 60 percent of all amounts required in excess of the computed tax rate in subdivision (b).

SEC. 38.2. Section 17669 of the Education Code is amended to read:

17669. (a) For the 1976-77 fiscal year, each elementary foundation program shall be increased by one hundred three dollars ($103) and each high school foundation program shall be increased by one hundred four dollars ($104).

(b) For the 1977–78 fiscal year, the increase in elementary and high school foundation programs shall be the prior year's percentage change in the index of "Government Purchases of Goods and Services, State and Local," but no less than 6 percent nor greater than 8 percent, times an amount which is determined as follows: (1) Multiply the unit elementary school foundation program for unified districts which have an elementary average daily attendance of 901 or more by the elementary foundation program units of average daily attendance of unified districts with 901 or more elementary average daily attendance, plus (2) multiply the unit high school foundation program for unified districts which have a high school average daily attendance of 301 or more, by the average daily attendance of unified school districts with 301 or more high school daily attendance, and (3) divide the results by the sum of the average daily attendance in unified districts with 901 or more elementary average daily attendance plus the average daily attendance in unified districts with 301 or more high school average daily attendance.

(c) For the 1978–79 fiscal year and fiscal years thereafter, and if the Legislature does not provide otherwise, the increase in elementary and high school foundation programs shall be 6 percent times an amount which is determined as follows: (1) multiply the unit elementary school foundation program for unified districts which have an elementary average daily attendance of 901 or more by the elementary foundation program units of average daily attendance of unified districts with 901 or more elementary average daily attendance, plus (2) multiply the unit high school foundation program for unified districts which have a high school average daily attendance of 301 or more, by the average daily attendance of unified school districts with 301 or more high school average daily attendance, and (3) divide the result by the sum of the average daily

attendance in unified districts with 901 or more elementary average daily attendance plus the average daily attendance in unified districts with 301 or more high school average daily attendance.

SEC. 40. Section 17851 of the Education Code is repealed.

SEC. 41. Section 17904 of the Education Code is repealed.

SEC. 42. Section 17951 of the Education Code is amended to read:

17951. The allowance for each unit of average daily attendance during the 1976–77 fiscal year for adults, as adults are defined in Section 5756, for high school districts shall be the adult foundation program of eight hundred sixty-two dollars ($862) less the product of one dollar ($1) multiplied by each one hundred dollars ($100) of the assessed valuation of the district, as modified pursuant to Section 17262, per unit of total regular high school average daily attendance plus adult average daily attendance.

For each subsequent fiscal year, the foundation program for adults in high schools for the previous fiscal year shall be increased by the same percentage increase by which the high school foundation program is increased.

SEC. 43. Section 17951.1 is added to the Education Code, to read:

17951.1. The Superintendent of Public Instruction shall determine the amount of state equalization aid to be added to the regular high school foundation program apportionments for each school district with adult average daily attendance in the 1976–77 fiscal year as follows:

He shall determine the adult average daily attendance used in computing state aid under the high school foundation program in the 1975–76 fiscal year and compute the 1976–77 fiscal year equalization aid according to the high school foundation program for the 1976–77 fiscal year using that 1975–76 fiscal year average daily attendance.

He shall recompute the equalization aid to the high school foundation program with the adult average daily attendance excluded and shall determine the loss of equalization aid due to excluding adult average daily attendance. To this amount he shall add the state allowance for defined adults in the 1975–76 fiscal year. He shall compute the state equalization aid for adults pursuant to Section 17951 and shall deduct this amount from the sum of the state allowance for defined adults in the 1975–76 fiscal year and the loss of equalization aid due to excluding adults from the high school foundation program. The remainder shall be added to the equalization aid for the high school foundation program for that district in the 1976–77 fiscal year. In each subsequent fiscal year the same calculation shall be used, using that year's adult average daily attendance, up to, but not to exceed, the adult average daily attendance used in computing the high school foundation program in the 1975–76 fiscal year.

In order to be eligible for increased state aid computed according to this section, each school district may count no more than the adult average daily attendance as used in determining state equalization

aid under the high school foundation program in the 1975–76 fiscal year.

SEC. 44. Section 17970 of the Education Code is amended to read:

17970. For each fiscal year, the Chancellor of the California Community Colleges shall allow to each community college district for each unit of average daily attendance of pupils not residing in the district and not residing in any district maintaining a community college, one hundred twenty-five dollars ($125) as basic state aid.

There shall be excluded from the computation of allowances provided by this section the average daily attendance of inmates of any state penal institution for adults or of any city, county, or city and county jail, road camp, or farm for adults; unless the inmate is attending a community college class or program pursuant to Section 2690 of the Penal Code, in which case such attendance shall be included.

SEC. 45. Article 8.2 (commencing with Section 17971) is added to Chapter 3 of Division 14 of the Education Code, to read:

Article 8.2. Computation of State Apportionments for Community College Districts

17971. (a) If the total units of average daily attendance for a community college district computed pursuant to Sections 11475 to 11487, inclusive, for the 1976–77 fiscal year second principal apportionment is equal to or greater than the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1975–76 fiscal year second principal apportionment, the chancellor's office of the California Community Colleges shall apportion state aid to the district for its 1975–76 fiscal year level of student attendance in accordance with subdivision (b) if the total units of average daily attendance are greater than 3,000, and subdivision (d) otherwise, and shall apportion additional state aid to the district for growth in student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year in accordance with subdivision (c) if the total units of average daily attendance are greater than 3,000, and subdivision (e) otherwise.

(b) For each community college district with more than 3,000 units of average daily attendance, the state apportionment for its 1975–76 fiscal year level of student attendance shall be computed as follows:

(1) Determine the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(2) Multiply the amount determined in (1) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(3) Add the result of the computation in (2) to the amount of the 1975–76 fiscal year state second principal apportionment to the

district for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(4) Multiply the amount determined in paragraph (3) by the demographic factor for the district determined pursuant to subdivision (g). The result of this computation shall be the state apportionment to the district in the 1976–77 fiscal year for its 1975–76 fiscal year level of student attendance.

(c) For each community college district with more than 3,000 units of average daily attendance for the 1975–76 fiscal year, the state apportionment in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year shall be computed as follows:

(1) Determine the amount of the 1975–76 fiscal year state second principal apportionment to all community college districts for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(2) Divide the amount determined in (1) by the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for all community college districts on the 1975–76 fiscal year state second principal apportionment.

(3) Multiply the result of the computation in (2) by 1.06 times the equalization factor for the district determined pursuant to subdivision (f) and the demographic factor for the district determined pursuant to subdivision (g).

(4) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11501, inclusive, on the 1975–76 fiscal year state second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11487, inclusive, for the 1976–77 fiscal year state second principal apportionment.

(5) Multiply the result of the computation in (3) by the amount determined in (4). The result of this computation shall be the state apportionment to the district in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year. In no case shall this amount be less than one hundred twenty-five dollars ($125) times the increase in the total units of average daily attendance for the district determined in step (4) above.

(d) For each community college district with less than 3,001 units of average daily attendance for the 1975–76 fiscal year, the state apportionment for its 1975–76 fiscal year level of student attendance shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1975–76 fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$

where

a = .47615

b = .0001746, and

x = the units of average daily attendance determined in (1).

(3) Multiply the number determined in (2) by the amount determined pursuant to paragraph (c) (3).

(4) Multiply the number determined in (3) by the units of average daily attendance determined in (1).

(5) The state apportionment to the district for its 1975–76 fiscal year level of student attendance is the greater of paragraph (4) or that amount determined by paragraph (b) (4).

(e) If the total units of average daily attendance for the 1975–76 fiscal year are less than 3,001.

(1) Multiply the number determined in paragraph (c) (4) by the number determined in paragraph (d) (3).

(2) The state apportionment to the district in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year shall be the greater of paragraph (1) and that determined by paragraph (c) (5).

(f) The equalization factor for a district shall be computed as follows:

(1) Divide the total modified assessed valuation for all community college districts on the 1976–77 fiscal year second principal apportionment by the total units of average daily attendance for all community college districts computed pursuant to Sections 11475 to 11487, inclusive, for the 1976–77 fiscal year second principal apportionment.

(2) Divide the modified assessed valuation for the district on the 1976–77 fiscal year second principal apportionment by the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11487, inclusive, for the 1976–77 fiscal year second principal apportionment.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount shall be the equalization factor for the district. The maximum equalization factor for any district shall be 2.

(g) The demographic factor for a district shall be computed as follows:

(1) Divide the total units of resident average daily attendance for all community college districts on the 1976–77 fiscal year second principal apportionment by the total adult population for all community college districts in the spring 1977 as estimated by the Department of Finance in cooperation with the chancellor's office.

(2) Divide the units of resident average daily attendance for the district on the 1976–77 fiscal year second principal apportionment by the total adult population of the district in the spring 1977 as estimated by the Department of Finance in cooperation with the chancellor's office.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount in no case shall be more than 1.5.

(4) The demographic factor shall be 1.0 for those districts whose

value calculated in paragraph (3) is below the median of the values calculated in paragraph (3) and for all other districts shall be one plus that percent of the amount calculated in (3) which results in a total state apportionment to those districts with a value as determined in paragraph (3) of this subdivision that exceeds the statewide median value for this calculation for the demographic factor of four million dollars ($4,000,000).

(h) This section is repealed as of December 31, 1977.

17971.1. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 11475 to 11487, inclusive, for the 1976–77 fiscal year second principal apportionment is less than the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1975–76 fiscal year second principal apportionment, the chancellor's office of the California Community Colleges shall compute the state apportionment to the district in the 1976–77 fiscal year in accordance with subdivision (b) if the total units of average daily attendance for the 1975–76 fiscal year second principal apportionment is greater than 3,000, and in accordance with subdivision (c) otherwise.

(b) The state apportionment to each community college district with total units of average daily attendance for the 1975–76 fiscal year second principal apportionment greater than 3,000 shall be computed as follows:

(1) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11501, inclusive, on the 1975–76 fiscal year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11487, inclusive, for the 1976–77 fiscal year second principal apportionment.

(2) Determine the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(3) Divide the amount determined in (2) by the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the district on the 1975–76 fiscal year second principal apportionment.

(4) Multiply the amount determined in (1) by the result of the computation in (3).

(5) Subtract the result of the computation in (4) from the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(6) Multiply the result of the computation in (5) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(7) Add the result of the computation in (6) to the result of the computation in (5).

(8) Multiply the amount determined in paragraph (7) by the

demographic factor for the district determined pursuant to subdivision (g) of Section 17971. The result of this computation shall be the second principal apportionment to the district in the 1976–77 fiscal year.

(c) For each community college district with less than 3,001 units of average daily attendance for the 1975–76 fiscal year, the state apportionment shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1975–76 fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3) of Section 17971.

(4) Multiply the number determined in paragraph (3) by the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1976–77 fiscal year second principal apportionment.

(5) The state apportionment to the district shall be the greater of paragraph (4) or that amount determined by paragraph (b) (8).

(d) This section is repealed as of December 31, 1977.

17971.2. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 11475 to 11487, inclusive, for the second principal apportionment in the 1977–78 fiscal year or years thereafter is equal to or greater than the total units of average daily attendance computed pursuant to Sections 11475 to 11487, inclusive, for the prior year second principal apportionment, the chancellor's office shall apportion state aid to the district for its prior level of student attendance in accordance with subdivision (b) if the total units of average daily attendance are greater than 3,000, and subdivision (d) otherwise, and shall apportion additional state aid to the district for growth in student attendance between the prior year and the current year in accordance with subdivision (c) if the total units of average daily attendance are greater than 3,000, and subdivision (e) otherwise.

(b) For each community college district with more than 3,000 units of average daily attendance, the state apportionment for its prior year level of student attendance shall be computed as follows:

(1) Determine the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11487, inclusive.

(2) Multiply the amount determined in (1) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(3) Add the result of the computation in (2) to the amount of the

prior year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11487, inclusive.

(4) Multiply the amount determined in paragraph (3) by the demographic factor for the district determined pursuant to subdivision (g) of Section 17971.2. The result of this computation shall be the state apportionment to the district in the current year for the prior year level of student attendance.

(c) For each community college district with more than 3,000 units of average daily attendance for the prior fiscal year, the state apportionment in the current year for the growth in its student attendance between the prior year and the current year shall be computed as follows:

(1) Determine the amount of the prior year second principal apportionment to all community college districts for student attendance computed pursuant to Sections 11475 to 11487, inclusive.

(2) Divide the amount determined in (1) by the total units of average daily attendance computed pursuant to Sections 11475 to 11487, inclusive, for all community college districts on the prior year second principal apportionment.

(3) Multiply the result of the computation in (2) by 1.06 times the equalization factor for the district determined pursuant to subdivision (f) and the demographic factor for the district determined pursuant to subdivision (g).

(4) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11487, inclusive, on the prior year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11487, inclusive, for the current year second principal apportionment.

(5) Multiply the result of the computation in (3) by the amount determined in (4). The result of this computation shall be the state apportionment to the district in the current year for the growth in the student attendance between the prior year and the current year. In no case shall this amount be less than one hundred twenty-five dollars ($125) times the increase in the total units of average daily attendance for the district determined in (4).

(d) For each community college district with less than 3,001 units of average daily attendance for the prior fiscal year, the state apportionment for its prior fiscal year level of student attendance shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the prior fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in

paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3).

(4) Multiply the number determined in paragraph (3) by the equalization factor determined in subdivision (f).

(5) Multiply the number determined in paragraph (4) by 1.06.

(4) Multiply the number determined in paragraph (3) by the units of average daily attendance determined in paragraph (1).

(5) The state apportionment to the district for its prior fiscal year level of student attendance is the greater of (4) or that amount determined by paragraph (b) (4).

(e) If the total units of average daily attendance for the prior fiscal year are less than 3,001:

(1) Multiply the number determined in paragraph (c) (4) by the number determined in paragraph (d) (3).

(2) The state apportionment to the district in the 1977–78 fiscal year or fiscal years thereafter for the growth in its student attendance between the prior fiscal year and the current fiscal year shall be the greater of paragraph (1) and that determined by paragraph (c) (5).

(f) The equalization factor for a district shall be computed as follows:

(1) Divide the total modified assessed valuation for all community college districts on the current year second principal apportionment by the total units of average daily attendance for all community college districts computed pursuant to Sections 11475 to 11487, inclusive, for the current year second principal apportionment.

(2) Divide the modified assessed valuation for the district on the current year second principal apportionment by the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11487, inclusive, for the current year second principal apportionment.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount shall be the equalization factor for the district. The maximum equalization factor for any district shall be 2.

(g) The demographic factor for a district shall be computed as follows:

(1) Divide the total units of resident average daily attendance for all community college districts on the 1976–77 fiscal year second principal apportionment by the total adult population for all community college districts in the spring 1977 as estimated by the Department of Finance in cooperation with the chancellor's office.

(2) Divide the units of resident average daily attendance for the district on the 1976–77 fiscal year second principal apportionment by the total adult population of the district in the spring 1977 as estimated by the Department of Finance in cooperation with the chancellor's office.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount in no case shall be more than 1.5.

(4) The demographic factor shall be 1.0 for those districts whose value calculated in paragraph (3) is below the median of the values calculated in paragraph (3) and for all other districts shall be 1 plus that percent of the amount calculated in (3) which results in a total state apportionment to those districts with a value as determined in paragraph (3) of this subdivision that exceeds the statewide median value for this calculation for the demographic factor of four million dollars ($4,000,000).

17971.3. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 11475 to 11487, inclusive, for the current year second principal apportionment is less than the total units of average daily attendance computed pursuant to Sections 11475 to 11487, inclusive, for the prior year second principal apportionment, the chancellor's office of the California Community Colleges shall compute the state apportionment to the district in accordance with subdivision (b) if the total units of average daily attendance for the prior year second principal apportionment is greater than 3,000, and in accordance with subdivision (c) otherwise.

(b) The state apportionment to each district with total units of average daily attendance for the prior year second principal apportionment greater than 3,000 shall be computed as follows:

(1) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11487, inclusive, on the prior year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11487, inclusive, for the current year second principal apportionment.

(2) Determine the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11487, inclusive.

(3) Divide the amount determined in (2) by the total units of average daily attendance computed pursuant to Sections 11475 to 11487, inclusive, for the district on the prior year second principal apportionment.

(4) Multiply the amount determined in (1) by the result of the computation in (3).

(5) Subtract the result of the computation in (4) from the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11487, inclusive.

(6) Multiply the result of the computation in (5) by 0.06 times the equalization factor for the district determined pursuant to subdivision (c) of Section 17971.2.

(7) Add the result of the computation in (6) to the result of the computation in (5).

(8) Multiply capital and the amount determined in paragraph (7) by the demographic factor for the district determined pursuant to

subdivision (g) of Section 17971.2. The result of this computation shall be the second principal apportionment to the district in the current year.

(c) For each community college district with less than 3,001 units of average daily attendance for the prior fiscal year, the state apportionment shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the prior fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3) of Section 17971.2.

(4) Multiply the number determined in paragraph (3) by the units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the current fiscal year second principal apportionment.

(5) The state apportionment to the district shall be the greater of paragraph (4) or that amount determined by paragraph (b) (8).

17971.4. All state allowances to a community college district for the attendance of students, who are residents of the State of California but are not residing either in the district or in any district maintaining a community college district, shall be provided to the district pursuant to Section 17970.

17971.5. The Chancellor of the California Community Colleges shall exclude from the computation of state apportionments the units of average daily attendance of nonresident students and of inmates of any state penal institution for adults or any city, county, or city and county jail, road camp, or farm for adults.

17971.7. Effective July 1, 1976, the state basic aid and state equalization aid for a community college district shall be defined as follows:

(a) State basic aid shall be defined as the amount determined by multiplying $125 times the total units of average daily attendance computed pursuant to Sections 11475 to 11487, inclusive, for the second principal apportionment.

(b) State equalization aid shall be defined as the amount of the difference between the total state apportionment to the district computed pursuant to Section 17971, 17971.1, 17971.2, or 17971.3 and state basic aid to the district defined pursuant to subdivision (a).

SEC. 46. Section 20803 of the Education Code is repealed.

SEC. 47. Section 20803 is added to the Education Code, to read:

20803. Any maximum rate of tax for any community college district may be increased and, having been increased, may be decreased by an amount equal to, or less than, the amount of such

increase, by a majority vote of the qualified electors of the community college district at an election which may be ordered by the governing board of the community college district on its own motion and shall be ordered within 90 days after the filing with the governing board of a petition signed by not less than 10 percent of the registered voters of the district requesting that an election be ordered, unless the petitioners request that the election be consolidated with the annual election for members of the governing board, or that the election be consolidated with the general election.

The governing board shall determine whether the increase or decrease shall remain in effect for a specified or unspecified period of time, unless the petition filed by the electors provides for a specified or unspecified period of time. If a specified period is provided for in the petition or determined upon by the governing boards, such period shall be stated on the ballot.

Pursuant to the order of the governing board, the election shall be called, held, and conducted by the county superintendent of schools, as nearly as is practicable in accordance with the provisions of Chapter 6 (commencing with Section 1301) of Division 4.

The specification of the election order shall contain the information provided in Section 1323 and shall be furnished the county superintendent of schools by the governing board of the district for all maximum tax increase or decrease elections ordered by it.

The costs incurred by the county clerk or registrar of voters and the county superintendent of schools in connection with this section shall be paid out of the funds of the district.

Except as otherwise herein provided, the ballot used in the election shall contain substantially the words "Shall the proposed (increase decrease) in the maximum tax rates from _____ ($_____) to _____ ($_____) for each one hundred dollars ($100) of assessed valuation of property, such rate to be in effect in the _____ District for the school year (or years) 19__ to 19__, the revenues of which are to be used for _____, be authorized?" or the words "Shall the proposed (increase decrease) in the maximum tax rates from _____ ($_____) to _____ ($_____) for each one hundred dollars ($100) of assessed valuation of property commencing on _____, such rate to be in effect in the _____ District for the school years commencing 19__, the revenues of which are to be used for _____, be authorized?" Opposite such words, in separate lines, the words "Yes" and "No" shall be printed, with a voting square opposite each such word. If, at any prior election held in the district, the maximum tax rate of the district was increased for a specified period of time, and if the election is called for the purpose of continuing in effect the previously authorized increase in the maximum tax rate of the district, the ballot shall contain substantially the words "Shall the existing maximum tax rate of _____ ($_____) for each one hundred dollars ($100) of assessed valuation of property be continued in the _____ District for the

school years 19__ to 19__, the revenues of which are to be used for _____?" Opposite such words in separate lines, the words "Yes" and "No" shall be printed with a voting square opposite each such word. Each voter shall stamp a cross (+) in the voting square after the answer he desires to give.

Whenever the maximum tax rate of a community college district is increased for either a specified or unspecified period of time and during such period an election is called for the purpose of further increasing the maximum tax rate of the district, the ballot used in the election shall show only the authorized maximum tax rate of the district in effect at the time of the election and the proposed maximum tax rate.

If an election for a decrease in an increased maximum tax rate of a district is held in any year prior to, or concurrently with, the district election for governing board members, any decrease adopted at such election shall become effective on July 1st following the election. If an election for a decrease in an increased tax rate of a district is held in any year after the date of the district election for governing board members, any decrease adopted at such election shall not become effective until July 1st of the next succeeding year.

SEC. 48. Section 20906 of the Education Code is amended to read:

20906. Commencing September 4, 1973, the revenue limit prescribed by Section 20905, 20940, or 20941 may be exceeded upon approval of a majority of the electors of the district voting on a proposition to that effect pursuant to Section 20803.2. Such approval may be granted for any period of time, and shall be added to the budget year revenue limit per foundation program unit of average daily attendance of the district as determined in subdivision (g) of Section 20905 in computing the maximum general purpose tax rate for each year in which the voted revenue limit increase is effective.

For the fiscal year following the last year in which the voted revenue limit increase is authorized, the amount of the voted revenue limit increase as it actually affected the revenue limit shall be subtracted from the revenue limit per foundation program unit of average daily attendance of the district as determined in subdivision (g) of Section 20905, 20940, or 20941. This section shall be subject to Section 20907.

Notwithstanding anything to the contrary in Section 20803.2, the revenue limit shall be that prescribed by state law plus the amount of increase approved by the electors, and need not be the revenue limit set forth in the ballot proposition prescribed by that section prior to July 1, 1974.

SEC. 48.1. Section 20906.1 is added to the Education Code, to read:

20906.1. Commencing July 1, 1977, the revenue limit per unit of average daily attendance prescribed by Sections 20904 and 20905 may, for a district with a current revenue limit at or above 150 percent of the appropriate foundation program amount of the

district, be increased pursuant to this chapter upon approval of a majority of the electors of the district voting on a proposition to that effect pursuant to Section 20803.2. Such approval may be granted for any period of time, and the budget year revenue limit of the district shall be increased by such amount in computing the maximum general purpose tax rate for each year in which the voted revenue limit increase is effective.

SEC. 48.2. Section 20906.2 is added to the Education Code, to read:

20906.2. Commencing July 1, 1977, the tax rate that an elementary, high, or unified school district with a revenue limit at or above 150 percent of the appropriate foundation program amount of the district, which may be levied for a given amount of revenue per unit of average daily attendance beyond its revenue limit, shall be provided yearly to the county superintendent of schools and the county board of supervisors by the Superintendent of Public Instruction on or before August 15.

The Superintendent of Public Instruction shall use the state average actual assessed valuation per unit of elementary, high, or unified school district average daily attendance to determine the tax rate necessary to raise the dollar amount each year.

SEC. 48.3. Section 20906.3 is added to the Education Code, to read:

20906.3. The Superintendent of Public Instruction shall determine the tax rates required by Section 20906.2 on the basis of the immediately prior fiscal year's data, updated by estimates of changes in average daily attendance and assessed valuation for each district, as reported to the Superintendent of Public Instruction by each county superintendent of schools. On or before April 1, the Superintendent of Public Instruction shall certify to each county superintendent an estimated schedule of the tax rates necessary to provide a given income per unit of average daily attendance required by Section 20906.2. On or before August 15, the Superintendent of Public Instruction shall certify to each county superintendent of schools and county board of supervisors, the official schedule of the tax rates necessary to provide a given income per unit of average daily attendance required by Section 20906.2.

The county board of supervisors of each county shall use the official schedule submitted by the Superintendent of Public Instruction in setting the tax rate required to produce the increase in the revenue limit provided for by Section 20906.1 which is approved by the electors pursuant to Section 20803.2.

SEC. 48.4. Section 20906.4 is added to the Education Code, to read:

20906.4. The county auditor, in cooperation with the county superintendent of schools, shall determine the amount of excess or the amount of deficiency from the income from tax rates levied pursuant to Section 20906.2. A county shall collect the taxes on the basis of the rates required by Section 20906.2. The county shall

allocate the taxes on the basis of the increase in the revenue limit approved by the electors pursuant to Section 20803.2. If the taxes collected are in excess of the amount to be allocated within the county, the excess shall be paid to the State Fund for the Equalization of School Taxes, which is hereby created in the State Treasury. If there is a deficiency of total taxes collected when compared to the taxes to be allowed, the county auditor in a county having a deficiency shall submit a request to the State Controller, for allocation from the State Fund for the Equalization of School Taxes, such amount as necessary to make up the deficiency. The State Controller shall allocate the amounts requested from the State Fund for the Equalization of School Taxes.

The State Controller shall adopt any rules or regulations necessary to implement the flow of money in and out of the State Fund for the Equalization of School Taxes.

SEC. 48.5. Section 20906.5 is added to the Education Code, to read:

20906.5. If, after all deficiencies have been paid pursuant to Section 20906.4, there is a balance in the State Fund for the Equalization of School Taxes, such balance shall be transferred to Section A of the State School Fund.

SEC. 49. Section 20907 of the Education Code is amended to read:

20907. Whenever the computation required by Section 20904, 20905, or 20941 results, because of estimating or other errors, in a total revenue limit in an amount more or less than actual data would have produced, the revenue limit for the succeeding fiscal year shall be reduced by an amount equal to the amount of the error if the total produced was more, and may be increased by an amount up to the amount of the error if the total produced was less.

Whenever the collection and distribution of local taxes from the secured roll results in an amount more or less than the taxes required as computed by Section 20904, 20905, 20940, or 20941, the local tax requirement for the succeeding fiscal year shall be reduced by an amount equal to the amount of the difference if the total received was more, and may be increased by an amount up to the amount of the difference if the total received was less.

SEC. 50. Section 20934.5 of the Education Code is repealed.

SEC. 51. Section 20935 of the Education Code is repealed.

SEC. 52. Section 20935 is added to the Education Code, to read:

20935. (a) For fiscal year 1976–77, the maximum general purpose tax rate shall be computed pursuant to this section by the county superintendent of schools for each community college district in the county. This maximum general purpose tax rate shall be exclusive of taxes provided in Section 1905, 15517, 15518, 16750, 19443, 19619, 20755, 20801, 22101, or 25541.5 of the Education Code and Section 5302.5 of the Streets and Highways Code. The maximum general purpose tax rate which may be levied by, or on behalf of, a community college district in the 1976–77 fiscal year, shall be the

general purpose tax rate which was levied in the 1975–76 fiscal year pursuant to former Section 20935 or a tax rate computed in accordance with the following procedure:

(1) Determine the 1975–76 fiscal year general purpose tax rate levied by the district pursuant to former Section 20935 and former Section 20936.5.

(2) Add to (1) the property tax rate on the secured roll which would produce an amount of property tax revenue equal to the following:

(A) The amount of the property tax revenue which would be received by such district in the current fiscal year by levying its 1975–76 fiscal year general purpose tax rate against the district's total assessed value for the current year, subtracted from;

(B) The amount of property tax revenue which would be received by such district in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change in the adult population of the district (as determined pursuant to Section 2228.1 of the Revenue and Taxation Code) plus the percentage equal to the prior years' percentage change in "Government Purchases of Goods and Services, State and Local" as determined by the Department of Finance.

(b) As used in this section, "property tax revenue from the prior year" means the revenue which would have been received by a district in the prior fiscal year by levying the 1975–76 fiscal year general purpose property tax rate authorized by former Section 20935 against the total assessed value for such year.

(c) As used in this section, "total assessed value" means all assessed value subject to ad valorem property taxation by a district plus assessed value attributable to the homeowners' property tax exemption and to the business inventory property tax exemption.

SEC. 53. Section 20935.1 of the Education Code is repealed.

SEC. 54. Section 20935.1 is added to the Education Code, to read:

20935.1. For fiscal year 1977–78 and each fiscal year thereafter, the maximum general purpose tax rate shall be computed pursuant to this section by the county superintendent of schools for each community college district in the county. This maximum general purpose tax rate shall be exclusive of taxes provided in Section 1905, 15517, 15518, 16750, 19443, 19619, 20755, 20801, 22101, or 25541.5 of the Education Code and Section 5302.5 of the Streets and Highways Code.

The maximum general purpose tax rate which may be levied by or on behalf of a community college district in 1977–78 and each fiscal year thereafter shall be the general purpose tax rate which could have been levied in the prior year pursuant to Section 20935 or 20935.1 of the Education Code or a tax rate computed in accordance with the following alternate procedure:

(1) Determine the prior year general purpose tax rate which could have been levied by the district pursuant to Section 20935 or

20935.1 of the Education Code,

(2) Add to (1) the property tax rate on the secured roll which would produce an amount of property tax revenue equal to the following:

(a) The amount of the property tax revenue which would be received by such district in the current fiscal year by levying the rate identified in subdivision (1) of this section against the district's total assessed value for the current year, subtracted from

(b) The amount of property tax revenue which would be received by such district in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change in the adult population of the district (as determined pursuant to Section 2228.1 of the Revenue and Taxation Code) plus the percentage equal to the prior years' percentage change in "Government Purchase of Goods and Services, State and Local" as determined by the Department of Finance.

As used in this section, "property tax revenue from the prior year" means the revenue which would have been received by a district in the prior fiscal year by levying the maximum prior year general purpose property tax rate authorized by Section 20935 or 20935.1 of the Education Code against the total assessed value for such year.

As used in this section, "total assessed value" means all assessed value subject to ad valorem property taxation by a district plus assessed value attributable to the homeowners' property tax exemption and to the business inventory property tax exemption.

SEC. 54.5. Section 20935.2 is added to the Education Code, to read:

20935.2. The maximum general purpose tax rate, which may be levied in 1976–77 or years thereafter by, or on behalf of, a community college district pursuant to Section 20935 or 20935.1, may be increased in order to add the amount of the difference between the total general purpose tax revenues levied by the district during 1975–76 and the total general purpose tax revenues which the district was authorized to levy pursuant to Section 20935 as it read prior to the effective date of this section, plus or minus the general purpose tax revenues which the district was authorized to levy during the 1976–77 fiscal year pursuant to Section 20936.5.

SEC. 55. Section 20935.6 of the Education Code is repealed.

SEC. 56. Section 20935.7 of the Education Code is repealed.

SEC. 57. Section 20936 of the Education Code is repealed.

SEC. 58. Section 20936.5 of the Education Code is repealed.

SEC. 59. Section 20937 of the Education Code is repealed.

SEC. 60. Section 20938 of the Education Code is repealed.

SEC. 61. Chapter 3.9 (commencing with Section 20940) is added to Division 16 of the Education Code, to read:

CHAPTER 3.9. TAXATION FOR ADULT EDUCATION

20940. For each school district with adult average daily attendance, as defined in Section 5756, the county superintendent of schools shall establish a revenue limit per unit of adult average daily attendance and an adult education tax rate in each such district for the 1976–77 fiscal year pursuant to directions of the Superintendent of Public Instruction as follows:

(a) He shall determine the expenditure, including tuition, per adult average daily attendance in 1975–76. He shall increase this amount by the same percent of increase that is allowed to the high school level foundation program in the 1976–77 fiscal year.

(b) He shall determine the maximum adult education tax necessary for each district by the procedure provided in subdivisions (h) to (k), inclusive, of Section 20941.

For districts which did not have adult average daily attendance in the 1975–76 fiscal year, the adult revenue limit shall be the adult foundation program.

20941. For the 1977–78 fiscal year and each fiscal year thereafter:

(a) The maximum tax rate for adult education programs of a school district shall be computed pursuant to this section by the county superintendent of schools.

(b) The revenue limit per adult foundation program unit of average daily attendance for the district for the prior fiscal year shall be divided into the adult foundation program amount per unit of average daily attendance for the prior year. If the quotient is greater than one, it shall be deemed to be one.

(c) The adult foundation program amount per unit of average daily attendance used as the dividend in subdivision (b) shall be determined pursuant to Section 17951.

(d) The inflation adjustment shall be based on the increase or decrease in the adult foundation program amount per unit of average daily attendance for the budget year compared with the preceding year.

(e) The amount determined pursuant to subdivision (d) shall be multiplied by the quotient determined pursuant to subdivision (b). The resultant amount shall constitute the revenue limit inflation adjustment of the district per unit of average daily attendance.

(f) The revenue limit inflation adjustment shall be added or subtracted, as the case may be, to the prior year revenue limit per adult foundation program unit of average daily attendance of the district and the sum multiplied by the estimated adult foundation program average daily attendance of the budget year. The product shall be the adult revenue limit of the district for the budget year.

(g) Any district which has an adult revenue limit computed pursuant to subdivision (f) which is equal to or less than the adult foundation program computed for the district pursuant to Section 17951 may increase its revenue limit computed pursuant to subdivision (f) to the lesser of the adult foundation program level of

the district or the prior year revenue limit increased by 15 percent, beginning in 1977–78.

(h) From the amount computed pursuant to subdivision (f) or (g), there shall be subtracted the basic state aid and state equalization aid to be received for the budget year, and the amount of income to be received from the equalization offset tax pursuant to Section 17263.1.

(i) The amount determined pursuant to subdivision (h) shall be (1) adjusted as provided in subdivision (d) of Section 10805 and (2) adjusted sufficiently to allow for the mandated increases in 1976–77 and subsequent years for district contributions for the State Teachers' Retirement System as required by Section 14100.

(j) From the amount computed pursuant to subdivision (i), there shall be subtracted the amount of money collected or to be collected as taxes related to adult education on property on the unsecured roll of the budget year and income from the prior year's taxes.

(k) For the purposes of this subdivision, the assessed valuation used in computing the maximum tax rate is defined as the total actual assessed valuation, including business inventory and homeowners' exemption and exclusive of the assessed valuation increment used to allocate tax receipts to a redevelopment agency pursuant to Article 6 (commencing with Section 33670) of Chapter 6 of Part 1 of Division 24 of the Health and Safety Code.

The amount determined pursuant to subdivision (j) shall be divided by the amount of actual assessed valuation of the district on the secured roll after due allowance for delinquencies, pursuant to Section 20704. The quotient multiplied by 100 shall be the tax rate on each one hundred dollars ($100) of such assessed valuation and shall be the maximum adult education tax rate which may be levied in the district during the 1976–77 fiscal year.

This section shall be subject to the provisions of Sections 20906 and 20907.

20942. For the 1976–77 fiscal year, any school district which had adult average daily attendance in the 1975–76 fiscal year may increase its regular revenue limit per unit of average daily attendance by the difference between its 1975–76 fiscal year revenue from adult average daily attendance and its actual expenditures for adults in the 1975–76 fiscal year divided by its regular average daily attendance in the 1975–76 fiscal year.

SEC. 62. Section 25515.3 is added to the Education Code, to read:

25515.3. The chancellor's office of the California Community Colleges shall prepare and distribute by April 1, 1977, and thereafter maintain, a detailed handbook for use by the local educational agencies and regional councils established pursuant to Section 6268. The handbook shall contain course approval criteria, implementation plans for administrative regulations, and procedures for securing course and program approvals.

SEC. 63. Section 25515.7 is added to the Education Code, to read:

25515.7. Effective July 1, 1977, the chancellor's office of the

California Community Colleges shall monitor and review courses and programs which were approved under the provisions of Section 25515.5 for compliance with applicable statutes and regulations on a periodic basis. Any courses or programs determined to be in noncompliance shall not receive any apportionment of state funds for attendance or average daily attendance relating to these courses or programs.

SEC. 64. Section 45000 of the Education Code is amended to read:

45000. The Legislature finds and declares that adult continuing education is essential to the needs of society in an era of rapid technological, economic, and social change and that all adults in California are entitled to quality publicly supported continuing education opportunities, including the following:

(a) The opportunity to acquire the knowledge and skills necessary to participate effectively in today's economy and society.

(b) Access to courses at the postsecondary level that are foundations upon which successive academic or occupational knowledge are dependent.

(c) Participation in other courses designed to meet the particular needs of the local community.

SEC. 65. Section 45022 of the Education Code is repealed.

SEC. 66. Section 45022 is added to the Education Code, to read:

45022. Effective July 1, 1977, (a) for noncredit classes or programs offered in community colleges pursuant to this division, average daily attendance for state apportionment purposes shall only be calculated for such classes or programs which by mutual agreement are the responsibility of the community colleges pursuant to Sections 45040 and 45041; and (b) for noncredit classes or programs offered in the community colleges and for classes for adults offered in high schools or adult schools pursuant to this division, average daily attendance for state apportionment purposes shall only be calculated for such classes or programs which by mutual agreement are the responsibility of the community colleges or of the high school or unified school districts pursuant to Sections 45042 and 45043.

SEC. 67. Section 2228.1 is added to the Revenue and Taxation Code, to read:

2228.1. Annually, the Department of Finance shall transmit to each community college district an estimate of its annual percentage change in population. Such estimates shall indicate the percentage change in the resident population excluding the population in state mental and correctional facilities and in federal correctional institutions of each district between January 1 of the prior year and January 1 of the current year if possible, or between the fall school census week of the prior fiscal year and the fall school census week of the current year. Such statements shall be transmitted by May 15.

The Department of Finance may request data from any local agency to be used to prepare the population estimate required by this section. If any local agency fails to supply the requested data, the

department is not required to provide an estimate for the school district affected, but may do so using the method deemed most appropriate by the department after first notifying the community college district.

If a district population was within 10 percent of the population of one or more cities or counties or city and county in which it is located as of the most recent federal special or decennial census or local census carried out under Department of Finance supervision covering the area in question, it may select the percentage change of the corresponding areas for the past year.

SEC. 68. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because any increases in tax authorizations are permissive in nature and because the duties, obligations, and responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

SEC. 69. The sum of two million five hundred thousand dollars ($2,500,000) is appropriated from the General Fund to Section B of the State School Fund for apportionment in the 1976–77 fiscal year pursuant to the formula for community colleges specified in subdivision (d) of Section 17971 of the Education Code.

SEC. 70. If funds are appropriated for apportionment pursuant to Section 69, the small district multiplier specified in paragraph (d) (2) of Section 17971, paragraph (c) (2) of Section 17971.1, paragraph (d) (2) of Section 17971.2, and paragraph (c) (2) of Section 17971.3 shall be adjusted so that the increase in state apportionments calculated pursuant to the small district factor shall be sufficient to fully apportion the appropriation.

SEC. 71. (a) The sum of four million dollars ($4,000,000) is appropriated from the General Fund to Section A of the State School Fund for apportionment by the Superintendent of Public Instruction to school districts which receive only basic aid. Such apportionments shall be computed as follows:

(1) He shall, in the 1976–77 fiscal year, apportion an amount to each district sufficient to equal 80 percent of the foundation program, less one hundred twenty-five dollars ($125), for each unit of its average daily attendance credited to a county operated regional occupational center or program in the 1976–77 fiscal year, up to the number of units of average daily attendance credited to such program in the 1975–76 fiscal year.

(2) He shall, in the 1977–78 fiscal year, apportion an amount to each district sufficient to equal 40 percent of the foundation program, less one hundred twenty-five dollars ($125), for each unit of its average daily attendance credited to a county operated regional occupational center or program in the 1976–77 fiscal year, up to the number of units of average daily attendance credited to such program in the 1975–76 fiscal year.

SEC. 72. There is hereby appropriated from the General Fund to the chancellor's office of the California Community Colleges the sum of thirty-six thousand dollars ($36,000) to administer Sections 5746.1, 5753.1, 25515.3, and 25515.7 of the Education Code.

SEC. 72.5. There is hereby appropriated from the General Fund to the Department of Finance the sum of thirty-six thousand dollars ($36,000) to administer Sections 17971 and 17971.2 of the Education Code, and Section 2228.1 of the Revenue and Taxation Code.

SEC. 73. For fiscal year 1976–77 only, in districts which annexed property effective July 1, 1976 as authorized by the Board of Governors of the California Community Colleges, the amount of property tax revenue received during the 1976–77 fiscal year shall be calculated so that the district's revenue per unit of average daily attendance is equal to the revenue limit per unit of average daily attendance that would have been authorized pursuant to the prior Section 20935 of the Education Code or calculated according to current Sections 20935, 20935.1, and 20935.2 of the Education Code.

SEC. 74. The chancellor's office of the California Community Colleges shall prepare and submit recommendations to the 1977–78 Regular Session of the Legislature regarding further techniques for adjusting the maximum general purpose tax rates of community college districts to be implemented in addition to those cited in this act in the 1977–78 fiscal year and subsequent fiscal years.

SEC. 75. The sum of four million dollars ($4,000,000) is appropriated from the General Fund to Section B of the State School Fund for the purpose of making apportionments utilizing the demographic factor specified in subdivision (g) of Section 17971 and subdivision (g) of Section 17971.2 of the Education Code.

SEC. 78. There is hereby appropriated the sum of seven million seventy-two thousand five hundred thirty-six dollars ($7,072,536) in augmentation of Item 321 of the 1976 Budget Act provided that the Department of Education utilize the most recently available data in computing entitlements for the program for the 1976–77 fiscal year and shall allocate entitlements accordingly, and provided further, that no district shall receive less than 100 percent of its entitlement for the 1976–77 fiscal year.

SEC. 79. There is hereby appropriated from the General Fund to Section A of the State School Fund the sum of eleven million three hundred eighty-eight thousand two hundred fifty dollars ($11,388,250) for the purposes of Chapter 11 (commencing with Section 7000) of Division 6 of the Education Code in augmentation of Item 324 of the Budget Act of 1976.

SEC. 80. This act supersedes Items 332 and 366 of the Budget Act of 1976. Such items shall therefore not be given any force or effect.

SEC. 80.5. It is the intent of the Legislature, if this bill and Assembly Bill No. 77 are both chaptered, both bills amend Section 17303.6 of the Education Code, and this bill is chaptered after Assembly Bill No. 77, that Section 17303.6 of the Education Code, as amended by Section 2 of Assembly Bill No. 77 be further amended

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on the operative date of this act in the form set forth in Section 30.5 of this act to incorporate the changes in Section 17303.6 proposed by this bill. Therefore, Section 30.5 of this act shall become operative only if this bill and Assembly Bill No. 77 are both chaptered, both bills amend Section 17303.6, and this bill is chaptered after Assembly Bill No. 77, in which case Section 30.5 of this act shall become operative on the operative date of this act and Section 30 of this act shall not become operative.

SEC. 81. Notwithstanding Section 17301.13 of the Education Code, as added by Section 29.5 of this act, if rules and regulations have not been adopted and become effective pursuant to Section 18151 of the Education Code by June 25, 1976, the Chancellor of the California Community Colleges shall apportion from the funds available pursuant to subdivision (b) of Section 17303.6 of the Education Code in fiscal year 1975–76, amounts necessary to fund the excess direct costs of providing the facilities, material, assistance, and services referred to in Section 18151.

SEC. 82. It is the intent of the Legislature that first priority for the funds appropriated by this act be used for the continuation of existing programs and the maintenance of existing staffing ratio.

SEC. 84. Additional revenues which accrue to school districts because of the enactment of the amendment to Section 6499.232 of the Education Code made by Section 15.1 of this act, or Section 85 of this act, shall first be used for bilingual education programs in schools which do not receive state or federal funds for bilingual education programs.

SEC. 85. The sum of seven million seven hundred thousand dollars ($7,700,000) is annually appropriated from the General Fund to the Superintendent of Public Instruction for the purposes of this section.

For the 1976–77 fiscal year and each year thereafter, the Superintendent of Public Instruction shall:

(1) Determine those districts which have an index of 1.25 or more pursuant to Section 6499.232 utilizing data used to compute 1976–77 entitlements under Chapter 6.10 (commencing with Section 6499.230) of Division 6 of the Education Code.

(2) Allocate to such districts an amount not to exceed 10 percent of such districts' 1975–76 entitlements. Such amount shall be in addition to other apportionments computed under Chapter 6.10.

Such additional apportionments shall be funded from funds appropriated pursuant to this section.

The amount allowed pursuant to this section is limited to seven million seven hundred thousand dollars ($7,700,000), and if the sum appropriated is not sufficient to make the allowances specified by this section, such allowances shall be reduced proportionately.

The allowances prescribed by this section shall be deposited in the general fund of each recipient district and may be used for any purpose for which other funds so deposited may be used and shall not be included in the computation of the revenue limit of the district.

SEC. 85.5. There is hereby appropriated from the General Fund for transfer by the State Controller to Section A of the State School Fund, the sum of twenty million dollars ($20,000,000) for purposes of funding programs prescribed by Chapter 6.10 (commencing with Section 6499.230) of Division 6 of the Education Code in the 1977–78 fiscal year for purposes of the expansion of such program above the level prescribed in the 1976–77 fiscal year.

SEC. 86. No school district shall, by reason of the amendments to Section 6499.232 of the Education Code made by Section 15.1 of this act, receive an apportionment for educationally disadvantaged youth programs in fiscal year 1977–78 which is less than the district's apportionment for such purposes in fiscal year 1976–77.

SEC. 88. Section 15.1 of this act shall become operative on July 1, 1977.

SEC. 89. The Legislature finds and declares that this act be regarded as a comprehensive plan for providing financial support for numerous educational programs in the state. The Legislature further finds and declares that the reduction of any amount appropriated by this act would seriously jeopardize the efficacy of the whole. It is therefore the intent of the Legislature that no reduction be made in any amount appropriated by this act.

SEC. 90. It is also the intent of the Legislature that no reduction be made in any amount appropriated by this act except to prevent funding for the expansion of the Master Plan for Special Education from duplicating funds appropriated in the Budget Act of 1976 or for updating and holding harmless the Educationally Disadvantaged Youth Program.

SEC. 91. The provisions of this act which appeared in Assembly Bill No. 2790 of the 1975–76 Regular Session of the Legislature shall be known and may be cited as the Montoya-Rodda Act.

SEC. 92. This is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that funds for support of education in high school and unified districts, regional occupational centers and programs, and community colleges provided for in this act may be made available during the 1976–77 fiscal year, and in order that this act will take effect prior to the establishment of the budgets for the 1976–77 fiscal year, it is essential that this act take effect immediately.

CHAPTER 324

An act to amend Section 31468 of the Government Code, to amend Section 39025 of, to add Sections 39052.5 and 39052.6 to, and to add Chapter 5.5 (commencing with Section 40400) to Part 3 of Division 26 of, the Health and Safety Code, relating to air pollution.

[Approved by Governor July 2, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Section 31468 of the Government Code is amended to read:

31468. (a) "District" means a district, formed under the laws of the state, located wholly or partially within the county other than a school district.

(b) "District" also includes any institution operated by two or more counties, in one of which there has been adopted an ordinance placing this chapter in operation.

(c) "District" also includes any organization or association authorized by Chapter 26, Statutes of 1935, as amended by Chapter 30, Statutes of 1941, or by Section 50024 of this code, which organization or association is maintained and supported entirely from funds derived from counties, and the board of any retirement system is authorized to receive the officers and employees of such organization or association into the retirement system managed by the board.

(d) "District" also includes, but is not limited to, any sanitary district formed under Part 1 (commencing at Section 6400), Division 6 of the Health and Safety Code.

(e) "District" also includes any city, public authority, public agency, and any other political subdivision or public corporation formed or created under the Constitution or laws of this state and located or having jurisdiction wholly or partially within the county.

(f) "District" also includes any nonprofit corporation or association conducting an agricultural fair for the county pursuant to a contract between the corporation or association and the board of supervisors under the authority of Section 25905 of the Government Code.

(g) "District" also includes the Regents of the University of California, but with respect only to employees who were employees of a county in a county hospital, who became university employees pursuant to an agreement for transfer to the regents of such hospital, and who under such agreement had the right and did elect to continue membership in the county's retirement system established under this chapter.

(h) "District" also includes the South Coast Air Quality Management District as created pursuant to Chapter 5.5 (commencing with Section 40400), Part 3, Division 26 of the Health and Safety Code. Employees of the district shall be included within the retirement association established in accordance with this chapter for the employees of the County of Los Angeles and the districts located therein. Employees who have been members of the Los Angeles County Employees' Retirement Association shall remain members, and their continuity of membership shall not be impaired by their employment by the district.

SEC. 2. Section 39025 of the Health and Safety Code is amended to read:

39025. "District" means an air pollution control district or an air quality management district created or continued in existence pursuant to provisions of Part 3 (commencing with Section 40000).

SEC. 3. Section 39052.5 is added to the Health and Safety Code, to read:

39052.5. "South coast district" means the South Coast Air Quality Management District created pursuant to Chapter 5.5 (commencing with Section 40400) of Part 3.

SEC. 4. Section 39052.6 is added to the Health and Safety Code, to read:

39052.6. "South coast district board" means the governing body of the south coast district.

SEC. 5. Chapter 5.5 (commencing with Section 40400) is added to Part 3 of Division 26 of the Health and Safety Code, to read:

CHAPTER 5.5. SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Article 1. General Provisions

40400. This chapter shall be known and may be cited as the "Lewis Air Quality Management Act."

40401. The Legislature finds and declares that the people of the State of California have a primary interest in atmospheric purity and freedom from any air contaminants and that there is pollution of the atmosphere in portions of the state which is detrimental to the public peace, health, safety, and welfare of the people of the state.

40402. The Legislature further finds and declares:

(a) That the South Coast Air Basin is a unique geographical entity not reflected by political boundaries.

(b) That the basin is acknowledged to have the most critical air pollution problem in the nation caused by the operation of six million motor vehicles in the basin, stationary sources of pollution, the frequency of atmospheric inversions that trap aerial contaminants, and the large amount of sunshine that transforms vehicular and nonvehicular emissions into a variety of deleterious chemicals.

(c) That the state and federal governments have promulgated ambient air quality standards for the protection of public health, and that it is in the public interest that those standards be met and that those standards should not be exceeded.

(d) That, in order to achieve and maintain air quality within the ambient air quality standards, a comprehensive basinwide air quality management plan must be developed and implemented to provide for the rapid abatement of existing emission levels to levels which will result in the achievement and maintenance of the state ambient air quality standards and to ensure that new sources of emissions are planned and operated so as to be consistent with the basin's air quality goals.

(e) That, in order to successfully develop and implement a meaningful strategy for achieving and maintaining ambient air quality standards, local governments in the South Coast Air Basin must be delegated additional authority from the state in the control of vehicular sources and must retain existing authority to set stringent emission standards for nonvehicular sources.

(f) That, in order to successfully implement a comprehensive program for the achievement and maintenance of ambient air quality standards in the South Coast Air Basin, the responsibilities of local and regional authorities with respect to air pollution control must be fully integrated into an agency with basinwide authority, governed by representatives of county and city governments.

40403. The Legislature further finds and declares that the problems of small businesses in complying with the rules and regulations of the south coast district will frequently require special attention, and that it is the intent of the Legislature that the south coast district assist small businesses in dealing with its administrative procedure and in the acquisition of low-interest financing for the purchase of air pollution control equipment.

40404. As used in this article, "plan" means the south coast district air quality management plan.

Article 2. Creation of the South Coast Air Quality Management District

40410. There is hereby created the South Coast Air Quality Management District in those portions of the Counties of Los Angeles, Orange, Riverside, and San Bernardino included within the area of the South Coast Air Basin, as described in Section 60104 of Title 17 of the California Administrative Code, as now or hereafter amended.

40411. (a) The County of Ventura, and that portion of the County of Santa Barbara included within the South Coast Air Basin, as described in Section 60104 of Title 17 of the California Administrative Code, as now or hereafter amended, shall be included within the South Coast Air Basin upon the adoption of a resolution of approval by the south coast district board of a request submitted by the appropriate board of supervisors.

(b) The inclusion of the county, or portion thereof, as the case may be, shall take effect at the commencement of the first quarter commencing at least 60 days after the adoption of the resolution.

(c) A copy of the resolution of approval shall be sent by the south coast district board to the board of supervisors and the state board.

40412. The south coast district shall be the sole and exclusive local agency within the south coast district with the responsibility for comprehensive air pollution control, and it shall have the duty to represent the citizens of the south coast district in influencing the decisions of other public and private agencies whose actions might

have an adverse impact on air quality in the south coast district.

40413. The board of supervisors of a county that is only included in part within the south coast district may contract with the south coast district to perform air pollution control functions in that area of the county not included within the south coast district, and the south coast district may perform such functions for the county. Such area, however, shall not be deemed a part of the south coast district.

40414. No provision of this chapter shall constitute an infringement on the existing authority of local government with regard to land use decisions, and no provision of this chapter shall be interpreted as providing or transferring new authority over such land use decisions to either the south coast district, the Southern California Association of Governments, or the state board.

40415. The Legislature recognizes the recent efforts of the Southern California Air Pollution Control District in unifying the county districts in the South Coast Air Basin into a single agency, and the south coast district board is hereby directed to utilize the expertise and experience of the members of the Southern California Air Pollution Control District and its technical staff to ensure that the transfer of air pollution control functions from that air pollution control district to the south coast district is as smooth and orderly as possible.

In addition, the Legislature recognizes the recent efforts of the Air Quality Maintenance Plan Policy Task Force of the South Coast Air Basin to develop workable mechanisms and procedures for air quality planning in that air basin, and the south coast district board is hereby directed to encourage the participation of the members of the task force in the preparation of the plan.

40416. The south coast district shall commence operation on February 1, 1977, and on that date shall assume the authority, functions, and responsibilities of the Southern California Air Pollution Control District.

Article 2. Governing Body

40420. The district shall be governed by a district board consisting of 10 members appointed as follows:

(a) Two members appointed by the Board of Supervisors of the County of Los Angeles, who shall be members of the board of supervisors.

(b) One member of the City Council of Los Angeles appointed by the Mayor of Los Angeles, subject to the confirmation of the city council.

(c) One member of any city council, except the City Council of Los Angeles, in the in the portion of the County of Los Angeles included within the south coast district appointed by a committee consisting of the members of the city selection committee from that portion of the county.

(d) One member appointed by each of the other boards of

supervisors of the counties included, in whole or in part, within the south coast district, which member shall be a member of the appointing board of supervisors.

(e) One member of any city council in the County of Orange appointed by the city selection committee of that county.

(f) One member of any city council in those portions of the Counties of San Bernardino and Riverside included within the south coast district appointed by a committee consisting of the members of the city selection committees from those portions of the two counties.

(g) One member appointed by the Governor, with the advice and consent of the Senate, for a term of five years, which member shall be a resident of the County of Los Angeles and shall not be an elected public officer.

All members of the south coast district board shall be appointed not later than January 31, 1977.

A member of the south coast district board who is also a member of a board of supervisors may appoint an alternate member in his place who shall be able to act on all south coast district matters except on the budget of the south coast district.

40421. (a) The Board of Supervisors of the County of Ventura shall appoint one of its members as a member of the south coast district board, if the county is included within the south coast district.

(b) The Board of Supervisors of the County of Santa Barbara shall appoint one of its members as a member of the south coast district board, if the county, or that portion of the county included within the South Coast Air Basin, is included within the south coast district.

40222. With the exception of the public member, members of the south coast district board shall serve at the pleasure of their respective appointing powers. Any vacancy on the south coast district board shall be filled within 60 days of occurrence by its appointing power.

40223. The south coast district board shall provide for the frequency and location of its meetings, except that no meeting of the south coast district board shall take place without public notice given at least seven days in advance of the scheduled date of the meeting.

40224. A majority of the members of the south coast district board shall constitute a quorum and no official action shall be taken by the south coast district board except in the presence of a quorum and upon the affirmative votes of at least a majority of the members of the south coast district board.

40225. The south coast district board shall elect a chairman every two years from its membership. No member shall serve more than two consecutive terms as chairman.

40226. Each member of the south coast district board shall receive a compensation of fifty dollars ($50) for each day, or portion thereof, but not to exceed five hundred dollars ($500) in any month, attending meetings of the south coast district board or committees thereof or, upon authorization of the south coast district board, while

on official business of the south coast district, and his actual and necessary expenses incurred in performing his official duties.

40227. The south coast district board shall determine the location of its headquarters and may establish branch offices in each of the counties included, in whole or in part, within the south coast district, and in such other parts of the south coast district as it deems necessary.

Article 3. General Powers and Duties

40440. (a) Not later than December 31, 1977, the south coast district board shall adopt rules and regulations that are not in conflict with federal and state laws and rules and regulations and reflect the best available technological and administrative practices. Upon adoption and approval of the plan, such rules and regulations shall be amended, if necessary, to conform to the plan.

(b) The rules and regulations of the Southern California Air Pollution Control District shall remain in effect and shall be enforced by the south coast district, until superseded or amended by the south coast district board.

40441. After adoption of the plan, the south coast district shall have the responsibility for securing the cooperation of other public entities in the implementation of the plan, including all programs, plans, and projects relating to or affecting air quality within the south coast district.

The south coast district board may adopt such rules and regulations as do not conflict with federal and state laws for the coordination of local, state, and federal programs affecting air quality.

40442. If the plan is not adopted or approved in compliance with the schedule set forth in Sections 40464 and 40465, the powers and duties of the south coast district board with respect to air quality control shall not be diminished or otherwise affected by such failure to adopt or approve the plan.

40443. Not later than December 31, 1977, the south coast district board shall adopt revised and updated nonvehicular source emission limitations for inclusion in the state's implementation plan.

40444. The south coast district board shall adopt the necessary rules and regulations to implement the Air Pollution Emergency Contingency Plan developed by the state board.

40445. Pursuant to its authority under Section 40444 to implement the Air Pollution Emergency Contingency Plan of the state board, the south coast district board may adopt rules and regulations to limit the operation of motor vehicles within the south coast district during the period when an air pollution emergency has been called as defined by that plan. Such rules and regulations shall not apply to the operation of authorized emergency vehicles, as defined in Section 165 of the Vehicle Code, or repair vehicles of a public utility.

40446. If requested by the state board, the south coast district

board may assist in the administration and enforcement of any state statute establishing an inspection program for motor vehicles with respect to their air pollution emissions and their air pollution control devices or systems and any rules and regulations adopted pursuant to such a statute.

40447. The south coast district board may request the state board to investigate the emission reduction capabilities of any motor vehicle pollution control devices which have not been previously tested by the state board.

40448. The south coast district board shall establish an office of small business assistance to provide administrative and technical services to small businesses seeking permits and variances from the south coast district board or the hearing board.

The primary purpose of the office shall be to facilitate and encourage small business compliance with the rules and regulations of the south coast district, and to develop a data base on the economic impact and cost effectiveness of the rules and regulations of the south coast district on small businesses within the south coast district. The office shall develop and make available to small businesses information regarding low-cost financing for air pollution control equipment.

The south coast district board, upon receiving findings and recommendations from the office, shall endeavor to coordinate compliance schedules with the availability of low-cost financing to small businesses in implementing its control programs.

40449. (a) No provision of this chapter is a limitation on the power of the board of supervisors of a county included, in whole or in part, within the south coast district to adopt any order, rule, or regulation with respect to air pollution control which is stricter than those adopted by the south coast district board and not in conflict therewith. The south coast district board shall enforce any such order, rule, or regulation.

(b) At the request of the board of supervisors of any county included, in whole or in part, within the south coast district, the south coast district board shall make available to that county, on a temporary basis, the necessary personnel, equipment, and services to assist the county in adopting any order, rule, or regulation stricter than those adopted by the south coast district.

40450. Except as provided in Section 40449 regarding the adoption of stricter orders, rules, and regulations than those of the south coast district board, the board of supervisors of any county included, in whole or in part, within the south coast district shall have no authority after February 1, 1977, with respect to the control of air pollution in that part of the county included within the south coast district.

40451. (a) Within 30 days of any action, or failure to act, by the south coast district board, any aggrieved person may petition the state board to review such action or failure to act. In case of failure to act, the 30-day period shall commence upon refusal of the south

coast district board to act, or 60 days after the request has been made to the south coast district board to act.

(b) The evidence before the state board shall consist of (1) the record before the south coast district board, and (2) any other relevant evidence which, in the judgment of the state board, should be considered to effectuate and implement the policies of this division.

(c) The state board may find the action or failure to act of the south coast district board to be consistent or inconsistent with the purposes of this division. Prior to making any such finding, the state board shall hold a public hearing, on the matter in the south coast district. Upon finding that the action, or the failure to act, was inconsistent with the purposes of this division, the state board may (1) direct that appropriate action be taken by the south coast district board to implement and effectuate the purposes of this division, (2) take such action itself, (3) refer the matter to any other state agency having jurisdiction, or (4) any combination of the foregoing. In taking such action, the state board is vested with all the powers of the south coast district board.

40452. (a) In the case of review by the state board under Section 40451, the state board, upon notice and a hearing, may stay, in whole or in part, the effect of the decision and order of the south coast district board or of the state board.

(b) If a petition is filed with the superior court to review a decision of the state board, any stay in effect at the time of the filing the petition shall remain in effect by operation of law for a period of 20 days from the date of the filing of such petition.

Article 4. Plan

40460. (a) No later than January 31, 1979, the south coast district board shall adopt a plan to achieve and maintain the state ambient air quality standards for the south coast district.

(b) The plan shall be prepared by the south coast district, with the cooperation and active participation of the counties and cities within the south coast district, the Southern California Association of Governments, the state board, and the Department of Transportation.

(c) Upon approval of the plan by the state board, the plan shall be the implementation plan and the air quality maintenance plan of the south coast district.

40461. Until the plan is adopted by the south coast district board and approved by the state board, the south coast district board shall implement the basinwide air pollution control plan adopted for the South Coast Air Basin pursuant to Chapter 2 (commencing with Section 41600) of Part 4.

40462. The plan shall include deadlines for compliance with the state ambient air quality standards for the south coast district at the earliest possible date, and shall include provisions to ensure that

future growth and development within the south coast district are, to the maximum extent feasible, consistent with the goal of maintaining the air quality standards.

In the event that the plan will not result in the achievement of a state ambient air quality standard by January 1, 1980, the plan shall contain the compliance schedule for achieving that standard at the earliest date achievable by application of all reasonable and available control measures and technologies.

40463. Formal review of the plan shall be made every two years. During the formal review, the air quality standard compliance schedules shall be revised to reflect advances in control strategy, administrative practice, and technology. The same procedures utilized in preparing the plan shall be utilized in the formal review of the plan.

40464. After holding public hearings in all parts of the south coast district, the south coast district board shall submit the adopted plan to the state board and to the Legislature not later than January 31, 1979.

40465. The plan shall become effective on June 1, 1979, and as submitted shall be approved by the state board by that date unless it finds, after a public hearing, that the plan does not include all reasonable and available methods to achieve and maintain the state ambient air quality standards. Upon such a finding, the state board shall revise the submitted plan accordingly and approve the plan as revised by June 1, 1979.

40466. During 1979, the Legislature shall review the adequacy of the air quality management planning process and the operations of the south coast district with regard to the implementation of the plan.

40467. The Southern California Association of Governments shall review, from an air quality standpoint, the various plans adopted or proposed by federal, state, and local agencies which may have a direct or indirect influence on air quality, such as the California Transportation Plan, the California Coastal Zone Conservation Plan, the State Energy Development and Conservation Plan, and county and city general plans.

40468. Upon completion of the review pursuant to Section 40467, the Southern California Association of Governments shall prepare a summary of the available policy alternatives which might lead to reducing the detrimental air quality impacts of the proposals in the various plans and, along with this summary, shall submit to the south coast district board a work program for the development of recommended modifications in the various plans which might be incorporated into elements of the south coast district air quality management plan during the first biennial review of the plan, including an analysis of how the south coast district might effectively influence federal, state, and local planning efforts on behalf of air quality.

The association shall also submit recommendations for any

additional authority which may need to be delegated to the south coast district by the Legislature in order for the south coast district to effectively implement the south coast district air quality management plan.

The summary report and recommendations shall be submitted to the south coast district board not later than December 31, 1977.

40469. Prior to submitting its summary report and recommendations to the south coast district, the Southern California Association of Governments shall prepare guidelines for the preparation of the plan elements relating to transportation, land use, and energy, and related planning elements, which shall comprise a series of recommended alternative policies designed to minimize the adverse air quality impacts of growth and development.

40470. Upon receiving plan guidelines prepared by the Southern California Association of Governments pursuant to Section 40469, the subregional planning agencies designated by the association in each county shall prepare preliminary plans for the subregions under their jurisdiction.

Not later than July 1, 1978, the subregional plans shall be submitted to the association for review and incorporation into its regional plan.

40471. The regional plan shall be submitted by the Southern California Association of Governments to the south coast district board not later than September 1, 1978.

After holding public hearings in all parts of the south coast district on the regional plan, the south coast district board shall include the regional plan in the south coast district air quality management plan and submit the plan to the state board.

Article 5. Officers and Employees

40480. (a) The south coast district board shall employ the necessary staff to carry out its program throughout the south coast district.

(b) The south coast district board shall appoint an executive officer to direct the staff, subject to the direction and policy of the south coast district board.

(c) The staff shall also be available to serve those portions of a county not included within the south coast district where the county is only partly included within the south coast district.

(d) The south coast district may enter into a contract with any county included, in whole or in part, within the south coast district to perform air pollution control functions for the south coast district, and the county may perform such functions for the south coast district pursuant to the contract.

40481. The executive officer shall be appointed solely on the basis of his administrative and executive abilities and qualifications. The executive officer and designated deputies shall serve at the pleasure of the south coast district board, and shall receive such compensation as is determined by the south coast district board.

40482. The south coast district board may delegate such duties to the executive officer as it deems appropriate. The executive officer shall perform and discharge, under the direction and control of the south coast district board, the powers, duties, purposes, functions, and jurisdiction vested in the south coast district board and delegated to him by it.

Any power, duty, purpose, function, or jurisdiction which the south coast district board may lawfully delegate shall be conclusively presumed to have been delegated to the executive officer unless it is shown that the south coast district board, by affirmative vote recorded in its minutes, specifically has reserved the same for its own action.

40483. The south coast district shall appoint a legal counsel who is admitted to the practice of law in this state.

40484. In the appointment of persons to the south coast district staff, the south coast district board shall employ the personnel of the Southern California Air Pollution Control District.

On February 1, 1977, all employees of the Southern California Air Pollution Control District, shall be employed by the south coast district and shall be entitled to similar positions on the south coast district staff. Except as otherwise provided in this article, they shall have permanent civil service employee status and shall perform the similar duties for the south coast district as for the Southern California Air Pollution Control District.

40485. All officers and employees of the south coast district, other than members of the south coast district board, are entitled to the benefits of the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450), Part 3, Division 4, Title 3 of the Government Code).

40486. When any person is employed by the south coast district, whose immediate prior employer was the Southern California Air Pollution Control District, for the purpose of, but not limited to, retirement benefits, salary rates, seniority, and all fringe benefits, all his time of employment with that district, and his time of employment, if any, with the county, a county district, or both, whose authority, functions, and responsibilities have been assumed by that district if such employment was immediately prior to employment with the Southern California Air Pollution Control District, shall be considered as time of employment with the south coast district.

Upon transfer to the south coast district, employees shall retain all their accumulated sick leave, vacation, and retirement benefits.

40487. The south coast district board shall adopt a civil service system for all employees of the south coast district, except that the executive officer and his designated deputies shall be exempt from the civil service system and shall serve at the pleasure of the south coast district board.

The policies and procedures of the civil service system shall be the same as those adopted by the County of Los Angeles. The south coast district board may administer the system or contract for its

administration with that county.

40488. (a) In fixing compensation to be paid to the south coast district employees, the south coast district board, in each instance, shall for the 1977–78 fiscal year provide a salary or wage and fringe benefits at least equal to the salary or wage and fringe benefits paid to the employees of the County of Los Angeles for the same quality of service rendered or for positions of equal responsibilities and duties.

(b) Thereafter, in fixing future compensation to be paid to employees in its civil service system, the south coast district board shall, in each instance, provide a salary or wage and fringe benefits at least equal to the prevailing salary or wage and fringe benefits for the same quality of service rendered by private persons under similar employment in case such prevailing salary or wage can be ascertained.

40489. The south coast district may contract for such professional assistance as may be necessary or convenient for the exercise of duties imposed on the south coast district.

Article 6. Permits and Variances

40500. In accordance with the purposes of this chapter as set forth in Sections 40401 and 40402, the south coast district board shall establish rules and regulations for the granting of variances by the hearing board from such standards for the discharge of air contaminants as the south coast district may adopt.

The rules and regulations shall include a schedule of fees, which shall be based upon the number of sources the variances is applicable to and the extent the amount of emissions from the sources exceeds the required standards, for the filing of applications for variances. All applicants shall pay the fees required by such rules and regulations. A variance may be granted by the hearing board after a public hearing and upon filing, with appropriate fees, of a variance petition with the hearing board.

40501. (a) The south coast district board shall appoint a hearing board, or may authorize the board of supervisors of each county included, in whole or in part, within the south coast district to appoint a hearing board in accordance with Article 1 (commencing with Section 40800). The hearing board shall have such powers and duties vested in the hearing board of a county district.

(b) The granting of variances shall be processed by the hearing board in the county in which the variance is applicable unless the applicant and the hearing board agree otherwise, and shall be granted in conformance with the rules and regulations of the south coast district, and with the provisions of Article 2 (commencing with Section 42350) of Chapter 4 of Part 4, with respect to the granting of variances.

40502. The revenues from the schedule of fees adopted by the south coast district board for the filing of applications for variances

shall be collected by the hearing board at the time that the application is filed. Each county hearing board appointed pursuant to subdivision (a) of Section 40501 shall be reimbursed from these fees for its cost in administering the rules and regulations for the issuance of variances established by the south coast district board. The revenues from these fees shall be transmitted by the hearing board to the south coast district board at such time as the south coast district board may prescribe.

40503. Any aggrieved person may appeal the decision of the hearing board to the south coast district board.

40504. The south coast district board shall work with those persons granted variances to reduce emissions of air contaminants from their operation.

40505. Any form developed by the south coast district for use in filing an application for variance shall contain a notice to small businesses of the availability of assistance in filling out the form, developing compliance schedules, and obtaining low-cost financing for air pollution control equipment to meet its regulations.

40506. In accordance with the purposes of this chapter as set forth in Sections 40401 and 40402, the south coast district board shall establish rules and regulations for the issuance by the south coast district board of permits for authority to construct or operate any article, machine, equipment, or other contrivance for which a permit may be required by the south coast district board.

The rules and regulations shall include a schedule of fees for the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits. All applicants shall pay the fees required by such rules and regulations.

40507. The south coast district board, in making any order granting a permit, may specify the time during which such order shall be effective, in no event to exceed one year, and the payment of such fees as established by the south coast district board.

40508. The revenues from the schedule of fees for the filing of applications for permits shall be collected by the south coast district board at the time that the application is filed.

40509. Any individual may petition the south coast district board to hold a public hearing on a permit application.

40510. The south coast district board may adopt a fee schedule for the issuance of variances and permits to cover the cost of planning, inspection, and monitoring related thereto.

The fees may be varied according to the quantity of emissions and the effect of such emissions on the ambient air quality within the south coast district.

Article 7. Financial Provisions

40520. Upon adoption of its budget for the next fiscal year, the south coast district board shall apportion the amount that each county included within the south coast district shall pay to finance

the operation of the south coast district in that fiscal year.

The apportionment to a county shall be that proportion of the amount that the population of the portion of the county included within the south coast district bears to the total population of the south coast district, as determined from the latest federal decennial census.

40521. (a) Excluding any increase in apportionments due to increases in the salaries or wages and fringe benefits to the south coast district employees pursuant to subdivision (a) of Section 40488, the apportionment levied on a county, for the 1977–78 fiscal year, by the south coast district board shall not exceed by more than 15 percent the apportionment levied on that county by the Southern California Air Pollution Control District for the 1976–77 fiscal year.

(b) For the 1978–79 fiscal year, and each fiscal year thereafter, the percentage increase in the county apportionments may not exceed the percentage increase in the California Consumer Price Index as specified in Section 2212 of the Revenue and Taxation Code, or the percentage increase in the total county property tax revenues for the counties included, in whole or in part, within the south coast district, whichever is greater.

(c) The limitations specified in subdivisions (a) and (b) shall not apply to increases in apportionments resulting from the termination of federal or state allocations to the south coast district, if the south coast district board votes to continue the programs financed with those funds.

40522. On and after February 1, 1977, any funds required to be contributed by a county included within the south coast district to the Southern California Air Pollution Control District, during the 1976–77 fiscal year, which have not yet been contributed to that district shall be contributed to the south coast district.

40523. On February 1, 1977, all tangible personal property and equipment of the Southern California Air Pollution Control District shall become the property of the south coast district.

40524. All interests in real property held in the name of the Southern California Air Pollution Control District shall become the property of the south coast district on February 1, 1977, and the south coast district shall succeed as of that date to the interest and liability of that district in any leases.

40525. The south coast district shall undertake a study of the financing of the operations of the south coast district and shall submit a report of its findings and recommendations to the Legislature, not later than December 31, 1977, on its efforts to reduce its reliance on property tax revenues to finance the operations of the south coast district.

Among the possible financing measures which shall be evaluated are the imposition of annual permit renewal fees, emission fees, motor vehicle fuel tax, in-lieu motor vehicle tax, and increased penalties for violations of rules and regulations of the south coast district.

SEC. 6. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act because costs incurred pursuant to this act will be offset by savings.

CHAPTER 325

An act to add Sections 71080.7 and 71603.5 to the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976]

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

SECTION 1. Section 71080.7 is added to the Government Code, to read:

71080.7. Notwithstanding the provisions of Section 71080, where action is taken and has become effective at least 10 days before the declarations of candidacy as required by the Elections Code for a special election, to create, by consolidation, annexation, or otherwise, a new justice court judicial district in Lassen County, and where the consolidation, annexation, or other action is to be operative concurrently with the end of the term of the justice court judge or judges, the Board of Supervisors of Lassen County shall call for a special election for the office of justice court judge for the new justice court and any otherwise qualified person may be a candidate therefor, and such special election shall be held prior to the vacancy actually occurring in the new justice court. The person receiving the highest number of votes cast shall be elected.

SEC. 2. Section 71603.5 is added to the Government Code, to read:

71603.5. Notwithstanding the provisions of Sections 71602 and 71603, where action is taken and has become effective to create by consolidation, annexation, or otherwise, a new justice court judicial district in Lassen County, and where the consolidation, annexation, or other action is to be operative concurrently with the end of the terms of the constables, the Board of Supervisors of Lassen County shall call for a special election for the office of constable for the new justice court and any otherwise qualified person may be a candidate therefor, and such special election shall be held prior to the vacancy actually occurring in the new justice court. The person receiving the highest number of votes cast shall be elected.

SEC. 3. Notwithstanding Section 2231 of the Revenue and

Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of local government entities which desired legislative authority to act to carry out the program specified in this act.

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

In order for Lassen County to fill by election the vacancies which will exist on January 3, 1977 in the offices of judge and constable in their newly created justice court district prior to January 3, 1977, it is necessary that this act take effect immediately.

CHAPTER 326

An act to amend Section 53069.5 of the Government Code, relating to local agencies.

[Approved by Governor July 3, 1976 Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Section 53069.5 of the Government Code is amended to read:

53069.5. A local agency, as defined in Section 54951, may offer and pay a reward, the amount thereof to be determined by the local agency, for information leading to the determination of the identity of, and the apprehension of, any person whose willful misconduct results in injury or death to any person or who willfully damages or destroys any property.

Any person whose willful misconduct has resulted in injury or death to any student or any person employed by or performing volunteer services for a local agency or who has willfully damaged or destroyed any property of a local agency or any property of any other local agency or state or federal agency located within the boundaries of the local agency shall be liable for the amount of any reward paid pursuant to this section and if he is an unemancipated minor his parent or guardian shall also be liable for the amount.

CHAPTER 327

An act to add and repeal Sections 8300.5, 8306.1, 8306.2, 8306.3, 8306.4, 8306.8, and 8306.9 of, the Fish and Game Code, relating to abalones, and making an appropriation therefor.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Section 8300.5 is added to the Fish and Game Code, to read:

8300.5. Notwithstanding Section 8300, no species of abalone (genus Haliotis) shall be taken during the months of February and August.

This section shall remain in effect only until January 1, 1981, and as of such date is repealed. Section 8300 shall be inoperative until January 1, 1981.

SEC. 2. Section 8306.1 is added to the Fish and Game Code, to read:

8306.1. Effective January 1, 1977, no abalone diving permit shall be issued to any person who did not possess an abalone diving permit during the previous abalone season.

This section shall remain in effect only until January 1, 1981, and as of such date is repealed.

SEC. 3. Section 8306.2 is added to the Fish and Game Code, to read:

8306.2. Notwithstanding the provisions of Section 8306.1, the department, under such regulations as the commission shall prescribe, shall conduct annually a drawing for any applicants not qualifying for an abalone diving permit under Section 8306.1. The total number of abalone diving permits issued under this section shall be 5 percent of the total abalone diving permits issued by the department the previous year. An applicant shall be eligible for the drawing if he qualifies under one of the following conditions:

(a) At least three years experience as an abalone diver or crewmember with a permit issued in accordance with Section 8306.

(b) Successfully have passed a proficiency test administered by the department, under such regulations as the commission shall prescribe.

This section shall remain in effect only until January 1, 1981, and as of such date is repealed.

SEC. 4. Section 8306.3 is added to the Fish and Game Code, to read:

8306.3. At such time as the total number of abalone diving permits issued by the department under provisions of Sections 8306.1 and 8306.2 is reduced to 200, or in any event no later than January 1, 1981, the commission shall establish the number of abalone diving

permits to be issued by the department. No permits shall be issued by the department to those who did not possess an abalone diving permit the previous year except that, if the number of abalone diving permits is below the number established by the commission, the department shall issue permits by drawing, under such regulations as the commission shall prescribe. An applicant shall be eligible for such drawing if he qualifies under either of the following conditions:

(a) At least three years experience as an abalone diver or crewmember with a permit issued in accordance with Section 8306.

(b) Has successfully passed a proficiency test administered by the department, under such regulations as the commission shall prescribe.

This section shall remain in effect only until January 1, 1981, and as of such date is repealed.

SEC. 5. Section 8306.4 is added to the Fish and Game Code, to read:

8306.4. An abalone diving permittee who, during the preceding season, does not land at least 10,000 pounds of abalone or make 20 landings for each of which a receipt was received as provided in Section 8011, shall not be issued a permit the following year. The person so affected by this section may appeal to the commission, submitting the circumstances surrounding the nonuse of the permit, and request issuance of a diving permit.

This section shall remain in effect only until January 1, 1981, and as of such date is repealed.

SEC. 6. Section 8306.8 is added to the Fish and Game Code, to read:

8306.8. Notwithstanding Section 8306, abalones may not be taken for commercial purposes except under a revocable abalone diving or crewmember permit issued by the department under such regulations as the commission shall prescribe. The diving permit fee is two hundred dollars ($200). The crewmember permit fee is one hundred dollars ($100).

Diving apparatus may be used to take abalones in water not less than 20 feet in depth in those portions of District 20 lying on the southerly side of Catalina Island between Southeast Rock and China Point, and in Districts 18, 19, and 20A, and in District 10 only in the waters lying south of Point Lobos. It is unlawful to take black abalones for commercial purposes, along the mainland coast, except as otherwise specifically authorized by this article.

This section shall remain in effect only until January 1, 1981, and as of such date is repealed. Section 8306 shall be inoperative until January 1, 1981.

SEC. 7. Section 8306.9 is added to the Fish and Game Code, to read:

8306.9. The Legislature finds and declares that the restrictions on the issuance of abalone diving permits specified in this article, are necessary to insure that abalone diving permittees possess the level of experience needed to protect and enhance the state's abalone resources.

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This section shall remain in effect until January 1, 1981, and as of such date is repealed.

CHAPTER 328

An act to amend Section 104.13 of the Streets and Highways Code, relating to state highway property, and making an appropriation therefor.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Section 104.13 of the Streets and Highways Code is amended to read:

104.13. (a) Any person leasing real property from the department may, in any year, apply to the department for a credit against future rental payments on the property, or for a refund from the Highway Properties Rental Account in the Transportation Tax Fund if the person is no longer leasing the property, upon submission of evidence to the department that the person had paid the tax imposed for that year for the person's possessory interest in the property.

(b) The credit or the refund, as the case may be, shall be deducted from the payments made pursuant to Section 104.10 to the county in which the property is located.

(c) The department shall report the amount of credit and refund granted pursuant to subdivision (a) in each county during the prior fiscal year to the Department of Finance by October 1.

(d) The credit and refund authorized shall be applicable to all taxes paid on or after January 1, 1975, for the possessory interest in real property leased by the department.

(e) This section shall apply only to real property held for future state highway needs and to real property originally held for that purpose, which the department has determined is no longer needed therefor, prior to its sale or exchange by the department.

CHAPTER 329

An act relating to the Death Valley Unified School District, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 3, 1976 Filed with Secretary of State July 3, 1976]

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

SECTION 1. Notwithstanding any other provision of law, the maximum tax rate of the Death Valley Unified School District for the 1976–77 fiscal year is increased by forty-seven cents ($0.47) per one hundred dollars ($100) of assessed valuation above the rate which would otherwise have been computed for the district pursuant to applicable provisions of law.

SEC. 2. The Legislature finds and declares that because of a clerical error not the fault of the Death Valley Unified School District which resulted in the computation of a tax rate lower than authorized by law and in decreased revenues to the district, it is necessary to permit the district to levy the additional tax specified by Section 1 to recoup tax revenues not realized and thereby preserve the financial integrity of the district. Because of this unique occurrence, a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit the increased maximum tax rate prescribed by this act to be operative for the entire 1976–77 fiscal year, and so facilitate the orderly administration of the school district's finances, it is necessary that this act take effect immediately.

CHAPTER 330

An act to add Section 53069.3 to the Government Code, relating to use of city or county funds to repair defaced structures.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Section 53069.3 is added to the Government Code, to read:

53069.3. A city or county may enact an ordinance to provide for the use of city or county funds to remove graffiti or other inscribed material from public or privately owned permanent structures located on public or privately owned real property within such city or county.

Such ordinance shall only authorize the removal of the graffiti or other inscribed material itself, and not the painting or repair of a more extensive area.

Such removal may be performed, only after a finding by the city or county that the graffiti or other inscribed material is obnoxious,

and, in the case of a publicly owned structure, only after securing the consent of the public entity having jurisdiction over the structure, and in the case of a privately owned structure, only after securing the consent of the owner.

CHAPTER 331

An act to add Article 7 (commencing with Section 3535) to Chapter 7.7, as added by Chapter 634 of the Statutes of 1975, of Division 2 of the Business and Professions Code, relating to osteopathic physician's assistants, and making an appropriation therefor.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Article 7 (commencing with Section 3535) is added to Chapter 7.7, as added by Chapter 634 of the Statutes of 1975, of Division 2 of the Business and Professions Code, to read:

Article 7. Osteopathic Physician's Assistants

3535. Notwithstanding any provision of law, physicians and surgeons licensed by the Board of Osteopathic Examiners may employ physician's assistants provided:

(a) Each physician's assistant so employed is a graduate of an approved program and is certified by the Physician's Assistant Examining Committee.

(b) The scope of practice of the physician's assistant shall be the same as that which is approved by the Division of Allied Health Professions of the Board of Medical Quality Assurance for physicians and surgeons supervising physician's assistants in the same or a similar specialty.

(c) The supervising physician is approved by the Board of Osteopathic Examiners. The Board of Osteopathic Examiners may deny an application, or suspend or revoke or impose probationary conditions upon any osteopathic physician and surgeons approved to supervise any physician's assistant in any decision made after a hearing as provided in Section 3528.

(d) Any physician's assistant certified by the committee shall be eligible for employment by any physician approved by the Board of Osteopathic Examiners; except that no physician shall supervise more than two physician's assistants. The Board of Osteopathic Examiners may restrict physicians to supervising specific types of physician's assistants including, but not limited to, restricting physicians from supervising physician's assistants outside of the

physician's field of specialty.

(e) Each physician desiring to supervise a physician's assistant under this section shall file a separate application. An application fee of ten dollars ($10) shall be charged to each physician applicant for each application. An approved fee of fifty dollars ($50) shall be charged to each physician upon approval of an application to supervise physician's assistants. The Board of Osteopathic Examiners shall renew approval to supervise physician's assistants upon application for such renewal. A fee of twenty-five dollars ($25) shall be paid for such renewal.

(f) Any person who violates subdivision (a), (b), (c), or (d) of this section shall be guilty of a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding five hundred dollars ($500) or by both.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 332

An act to amend Section 31000.8 of the Government Code, relating to counties, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Section 31000.8 of the Government Code is amended to read:

31000.8. Notwithstanding any other law to the contrary, the board of supervisors of a county which is wholly or partially self-insured under the workers compensation laws, or which is wholly or partially self-insured against public liability, may contract with a qualified firm for the purpose of having such firm render investigative, administrative, and claims adjustment services relating to workers' compensation and public liability claims against the county. The contract may provide that the contracting firm may reject, settle, compromise and approve workers' compensation and public liability claims against the county, its officers or employees, within such limits and for such amounts as the board of supervisors may specify, and may provide that the contracting firm may execute

and issue checks in payment of such claims, which checks shall be payable only from a trust fund which may be established by the board of supervisors. Funds in the trust fund established by the board pursuant to the provisions of this section shall not exceed a sum sufficient to provide for the settlement of claims for a 30-day period as determined by the board of supervisors or the sum of five thousand dollars ($5,000), whichever is larger, at any one time. The rejection or settlement and approval of a claim by the contracting firm in accordance with the terms of the contract shall have the same effect as would the rejection or settlement and approval of such a claim by the board of supervisors and the county auditor. The contract may also provide that the contracting firm may employ legal counsel, subject to such terms and limitations as the board may prescribe, to advise such contracting firm concerning the legality and advisability of rejecting, settling, compromising and paying claims referred to said contracting firm by the county for investigation and adjustment, or to represent the county in litigation concerning such claims. The compensation and expenses of such attorney for services rendered to the county shall be county charges.

The contract provided for in this section may contain such other terms and conditions as the board of supervisors may consider necessary or desirable to effectuate the county's self-insured programs.

In lieu of, or in addition to, contracting for the services described in this section, the board of supervisors may authorize a county employee to perform any or all of the services and functions which the board may contract for under the provisions of this section.

As used in this section:

(a) "Firm" includes a person, corporation, or other legal entity.

(b) "Board of supervisors" includes governing boards of districts and other public agencies for which the board of supervisors acts as the governing board.

(c) "County" includes such districts and other public agencies for which the board of supervisors acts as the governing board.

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

Chapter 887 of the Statutes of 1975 was enacted as an urgency statute to alleviate critical county problems regarding prompt settlement and payment of claims against them and to facilitate the prompt and orderly transition of the counties from a fully insured to a self-insured status. Now a further critical problem has developed due to the inadequacy of the $5,000 limit in trust funds authorized under Chapter 887 to accomplish this purpose. Therefore, it is necessary that this act take immediate effect.

CHAPTER 333

An act to add Article 15 (commencing with Section 53950) to Chapter 4 of Part 1, Division 2, Title 5 of the Government Code, relating to districts.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Article 15 (commencing with Section 53950) is added to Chapter 4 of Part 1, Division 2, Title 5 of the Government Code, to read as follows:

Article 15. District Revolving Funds

53950. As used in this article, "special district" shall mean an agency of the state, formed pursuant to general law or special act, for the local performances of governmental or proprietary functions within limited boundaries which utilizes the county treasury as a depository for its funds.

53951. As used in this article, "special district" shall not include any city, county, school district or special assessment district or any public agency which may create and utilize a revolving or petty cash fund pursuant to any other specific statutory authority.

53952. The governing board of a special district may, by resolution, provide for the establishment of a revolving fund in an amount not to exceed one thousand dollars ($1,000) to be used to make change and pay small bills directly. The resolution which establishes the district revolving fund shall designate all of the following:

(a) The purposes for which the fund may be expended.

(b) The officer of the district who shall have authority to make disbursements from the fund and be responsible for keeping account of all receipts and disbursements from the fund.

(c) The necessity for the fund.

(d) The maximum amount of the fund.

53953. Certified copies of the resolution establishing the revolving fund shall be transmitted to the county auditor and county treasurer.

53954. (a) Before any money is withdrawn from the county treasury to be placed in the revolving fund of a special district, the officer for whose use the fund is created shall file with the governing body of the district and the clerk of the board of supervisors a bond executed by himself as principal and by an admitted surety insurer, in an amount equal to that of the revolving fund. The bond shall be conditioned upon the faithful administration of the fund and upon the willingness and ability of the principal to account for and pay

over the fund upon demand of the governing board of the district at any time.

(b) In lieu of the bond provided for in subdivision (a) of this section, any officer of the district required by statute to furnish an official bond, and any district which purchases and maintains a blanket bond on all or certain of its employees not otherwise required by statute to provide a bond, may cause such a bond or bonds to be issued or amended by endorsement to be conditioned, in addition to its other provisions, upon the faithful administration of the revolving fund and upon the willingness and ability of the principal or principals, for whose use such a fund or funds have been established, to account for and pay over the fund or funds upon demand of the governing board of the district at any time.

53955. Upon the receipt of the certified copy of the resolution establishing the revolving fund and the filing of the required bond, the county auditor shall draw his warrant in favor of the officer for whose benefit the revolving fund is created and the county treasurer shall pay the warrant.

53956. The officer designated in the resolution establishing the revolving fund as being entrusted with the fund shall not be authorized to expend any portion of the revolving fund except for services or material which are a legal charge against the district.

53957. Any expenditure in excess of one dollar ($1) shall not be made unless a receipt is obtained, setting forth the date, purpose of expenditure and amount expended.

53958. Demands shall be made upon the county auditor for reimbursement of the revolving fund in the same manner that other demands are made. No other moneys shall be deposited into the revolving fund. Each demand for reimbursement of the fund shall contain an itemized account of all disbursements.

53959. Upon demand of the county auditor or the governing board of the district, the officer entrusted with the fund shall give an account of the fund.

53960. The governing board may at any time increase, reduce or discontinue any revolving fund established by its order. If the revolving fund is ordered reduced, the officer entrusted with the fund shall immediately return to the county treasurer the amount necessary to reduce the fund as ordered by the board. If the fund is discontinued, the officer shall immediately pay over the balance of the fund to the county treasurer. If the fund is discontinued a reasonable time shall be allowed the officer entrusted with the fund to reimburse himself by demand on the district for expenditures legally made from the fund.

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CHAPTER 334

An act to add Section 25260.3 to the Vehicle Code, relating to vehicles.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Section 25260.3 is added to the Vehicle Code, to read:

25260.3. Any vehicle having personnel aerial lift equipment, actually engaged in the construction, removal, maintenance or inspection of any building, structure, or appurtenances thereto, including the cutting or trimming of trees immediately adjacent thereto, may display flashing amber warning lights to the front, sides, or rear when necessarily parked on a highway or when moving at a speed slower than the normal flow of the traffic.

CHAPTER 335

An act to amend Section 16110 of the Government Code, and to add Section 226 to the Revenue and Taxation Code, relating to property taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. The Legislature finds and declares that in Low v. Austin (1872), 20 L. Ed. 517, the Supreme Court of the United States held, in effect, that imported goods were not subject to property taxation under the import-export clause contained in Section 10 of Article I of the Constitution of the United States. This general rule, modified by various court decisions remained continuously in effect until January 14, 1976, when the Supreme Court of the United States in Michelin Tire Corporation v. Wages (1976), 46 L. Ed. 2d 495, overruled the Low case.

The Legislature finds that it would be manifestly unfair and would cause severe economic hardship, inequities, and injustices to apply the Michelin case retroactively. Therefore, it is the purpose of this act to exempt under Section 2 of Article XIII of the Constitution of the State of California all personal property formerly exempt under the doctrine of Low v. Austin and subsequent interpretations for any assessment year prior to the 1976–77 assessment year.

Importers relied upon statutory and case law which was in effect

prior to the decision in Michelin v. Wages in the general conduct of their business, and could not reasonably foresee the application of the new rule of law under Michelin v. Wages. The decision in Michelin v. Wages (1976), 46 L. Ed. 2d 495, will cause many importers to become insolvent, relocate, or go out of business. This will seriously and adversely affect California businesses related to, or associated with, the importing community, and will result in a further deterioration of the labor market in California. Public policy will be served by preventing the disruptive and unjust effect of applying Michelin v. Wages to tax years prior to 1976–77.

SEC. 2. Section 16110 of the Government Code is amended to read:

16110. (a) It is the purpose of this chapter to provide replacement revenues to local government by reason of the repeal or reduction of the property tax on the following classes of property affected by the following provisions of the Revenue and Taxation Code: (1) business inventories under Section 219; (2) motion pictures under Section 988; (3) livestock under Section 5523; and (4) wine and brandy under Section 992.

(b) If for any reason, Section 226 of the Revenue and Taxation Code should be invalid or inapplicable, no state revenues shall be paid under this chapter on escape assessments for any assessment year prior to the 1976–1977 assessment year on any property formerly deemed exempt from taxation under statutory and case law existing prior to the decision in Michelin v. Wages (1976), 46 L. Ed. 2d 495.

SEC. 3. Section 226 is added to the Revenue and Taxation Code, to read:

226. The validity of any ad valorem property tax assessment on imported goods, heretofore or hereafter imposed, levied or collected with respect to tax years prior to the 1976–77 tax year, shall be determined pursuant to statutory and case law in effect prior to the decision in Michelin v. Wages, (1976), 46 L. Ed. 2d 495.

SEC. 4. Notwithstanding Section 2229 of the Revenue and Taxation Code, there shall be no reimbursement to any local agency or school district by reason of the operation of Section 3 of this act, since no such agency or district will incur an actual loss of revenue because such section deals with a type of property that was previously exempt or immune under the laws of the United States or California on January 1, 1973.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that importers will not be subjected to economic hardship due to escape assessments resulting from the decision in Michelin v. Wages (1976), 46 L. Ed. 2d 495, which could be made prior to the first day of the 1977 calendar year, this act must go into effect immediately.

03061 28 11 425 390

CHAPTER 336

An act to amend Sections 412 and 2602 of the Unemployment Insurance Code, and to amend Section 13 of Chapter 591 of the Statutes of 1975, relating to unemployment insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 3, 1976. Filed with Secretary of State July 3, 1976.]

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

SECTION 1. Section 412 of the Unemployment Insurance Code is amended to read:

412. (a) The appeals board acting as a whole may, by notice mailed to the director and the parties prior to the mailing of a referee's decision on an appeal or petition under this division pending before any referee, on its own motion either:

(1) Transfer the proceedings to another referee; or

(2) Remove the proceedings to itself for review and decision.

(b) If the appeals board removes any proceedings to itself for review and decision pursuant to this section, the appeals board may order the taking of additional evidence and may affirm, reverse, modify, or set aside any findings or action of the Employment Development Department or the Department of Benefit Payments from which the appeal or petition to the referee was taken in the proceedings. The appeals board shall promptly notify the department and the parties to the proceedings of its order or decision.

SEC. 2. Section 2602 of the Unemployment Insurance Code is amended to read:

2602. (a) Except as otherwise provided, the provisions and definitions of Part 1 (commencing with Section 100) of this division apply to this part. In case of any conflict between the provisions of Part 1 and the provisions of this part, the provisions of this part shall prevail with respect to unemployment compensation disability benefits, and the provisions of Part 1 shall prevail with respect to unemployment compensation benefits.

(b) The provisions of Article 5 (commencing with Section 1401) of Chapter 5 of Part 1, and the provisions of Chapter 6 (commencing with Section 1501) of Part 1, of this division do not apply to this part.

(c) Sections 312, 312.1, 318, 319, 1251, 1253, 1254, 1255, 1262, 1279, 1326 to 1333, inclusive, 1339, 1340, 1375 to 1378, inclusive, and 1380 do not apply to this part.

SEC. 3. Section 13 of Chapter 591 of the Statutes of 1975 is amended to read:

Sec. 13. The changes made in the Unemployment Insurance Code by this act shall be operative with respect to wages paid on and after January 1, 1976, except that no new claim for benefits based

solely on base period wages paid on or after January 1, 1976, for agricultural labor, and not more than seven hundred forty-nine dollars ($749) in other types of wages in the base period, shall be valid if the effective date of such new claim is on, or prior to, the last day on which an initial claim for special unemployment assistance may be filed under the Federal Emergency Jobs and Unemployment Assistance Act of 1974, or prior to May 1, 1977, whichever is earlier. The provisions of the Unemployment Insurance Code amended or repealed by this act as they existed prior to the changes made by this act shall remain applicable and are continued in effect with respect to remuneration paid prior to January 1, 1976, and for purposes of eligibility for benefits with respect to new claims based solely on base period wages paid on or after January 1, 1976, for agricultural labor, and not more than seven hundred forty-nine dollars ($749) in other types of wages in the base period, and which have effective dates on, or prior to, the last day on which an initial claim for special unemployment assistance may be filed under the Federal Emergency Jobs and Unemployment Assistance Act of 1974, or prior to May 1, 1977, whichever is earlier.

SEC. 4. The provisions of Section 3 of this act shall become inoperative, and the provisions of Section 13 of Chapter 591 of the Statutes of 1975 as they existed prior to the amendments made by Section 3 of this act shall be operative and continue in effect, if the provisions of Section 3 of this act cannot be given effect without causing the denial of special unemployment assistance under the Federal Emergency Jobs and Unemployment Assistance Act of 1974.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Under Section 208 of the Federal Emergency Jobs and Unemployment Assistance Act of 1974, as amended by Public Law 94-45, California farmworkers can establish claims for federal special unemployment assistance up to August 1, 1976. On and after August 1, 1976, under Section 203 of such federal act those federal claims will end for all California farmworkers who have qualifying wages for state benefits based only on wages paid in the first quarter of 1976. Many farmworkers will have California claims with sharply reduced benefit awards unless immediate action is taken to preserve their federal benefit rights by deferring state benefits until May 1, 1977 or until special unemployment assistance benefits are no longer available under federal law, whichever is earlier. To meet the needs of these unemployed farmworkers and prevent drastic reductions in the unemployment benefits payable to them, it is necessary that this act take immediate effect.

03737 28 11 465 398

CHAPTER 337

An act to add Section 20020.1 to the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 4, 1976. Filed with Secretary of State July 6, 1976.]

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

SECTION 1. Section 20020.1 is added to the Government Code, to read:

20020.1. A contracting agency may elect at any time within six months of the effective date of this section, by amendment to its contract to include as "local policeman" all persons who were employed by a police department to perform identification or communication duties on August 4, 1972, and who elect within six months of the effective date of such contract amendment to be local safety members. Such election shall apply to the person's past as well as future service in the employment held on the effective date but shall not apply to service following any subsequent acceptance of appointment to a position other than that held on such effective date. This section shall not apply to persons employed and qualified as patrolmen or equal or higher rank.

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

In order that the benefits of this act shall be available as soon as possible and that employers may make the necessary budget changes, this act must take effect immediately.

CHAPTER 338

An act to add Article 12.1 (commencing with Section 70110) to Chapter 5 of Title 8 of, and to add Section 74924.6 to, the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 4, 1976 Filed with Secretary of State July 6, 1976.]

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

SECTION 1. Article 12.1 (commencing with Section 70110) is added to Chapter 5 of Title 8 of the Government Code, to read:

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Article 12.1. Official Reporters in Tulare County

70110. In Tulare County, each judge of the superior court may appoint a competent phonographic reporter, to be known as a regular official reporter of such court, and such pro tempore reporters as necessary to report the proceedings of the court. Regular official reporters shall hold office during the pleasure of the appointing judge.

The duties of regular official reporters appointed pursuant to this section shall be performed as elsewhere provided by law.

70111. (a) Notwithstanding the provisions of Section 69948, the fee for official court reporters for reporting proceedings in contested cases shall be not less than fifty-five dollars ($55) nor more than ninety dollars ($90) as determined by resolution of the board of supervisors. All other fees of such reporters shall be as elsewhere provided by law.

(b) Where it is necessary to appoint a pro tempore reporter, the pro tempore reporter shall receive the same per diem fee paid regular official reporters of the superior court for the days the pro tempore reporter actually is on duty under order of the court.

(c) This per diem rate shall also apply when a reporter is appointed pursuant to Section 869 of the Penal Code by a justice court judge acting as a magistrate.

Regular official reporters and pro tempore reporters shall not receive more than one per diem fee a day from the county.

70112. In addition to the compensation provided in this article, regular official reporters of the superior court may be authorized by the board of supervisors to participate in any group health, accident, life insurance or deferred compensation plan adopted by the county.

70113. Regular official reporters shall be members of any retirement system maintained by the county. For retirement credit purposes, compensation earnable shall be deemed to be the annual total of all per diem and transcription fees paid by the county to each regular official reporter up to a maximum of twenty-five thousand dollars ($25,000) per year.

Notwithstanding any other provision of law, for retirement credit purposes, regular official reporters performing services for the county on the effective date of this legislation may have their compensation earnable for past services based on the individual regular official reporters total compensation received from the county for all services. The regular official reporter shall make application within 90 days after the effective date of this legislation and make payment of additional contributions based on the total compensation received from the county as determined by the county auditor. Regular official reporters may make additional contributions for up to a maximum of five consecutive years of past service prior to the effective date of this legislation; provided, however, that retirement credit for past services shall not exceed twenty-five thousand dollars ($25,000) per year.

70114. (a) The Judicial Council shall provide by rule for the maintenance of records as described in subdivision (c), which shall be filed with the council by each official reporter and official reporter pro tempore of any court located in Tulare County. Such records shall be inspected and audited by the Judicial Council.

(b) The Judicial Council shall submit an annual report to the Board of Supervisors of Tulare County and to the Legislature summarizing the information contained in the records.

(c) Each such annual report shall include the following information relative to the official court reporters of the county:

(1) The quantity and types of transcripts prepared by the official reporters and official reporters pro tempore during the reporting period.

(2) The fees charged and the fees collected for such transcripts.

(3) Expenses incurred by the reporters in connection with the preparation of such transcripts.

(4) The amount of time the reporters have spent in attendance upon the courts for the purpose of reporting proceedings, and the compensation received for this purpose.

SEC. 2. Section 74924.6 is added to the Government Code, to read:

74924.6. (a) Notwithstanding Section 72194, each judge of the municipal court districts in the County of Tulare may appoint a competent phonographic reporter, to be known as a regular official reporter of such court, and such pro tempore reporters as necessary to report the proceedings of the court. Regular official reporters shall hold office during the pleasure of the appointing judge. The duties of regular official reporters appointed pursuant to this section shall be performed as elsewhere provided by law.

(b) The fee for official court reporters for reporting proceedings in contested cases shall be fifty-five dollars ($55) a day. All other fees of such reporters shall be as elsewhere provided by law. Where it is necessary to appoint a pro tempore reporter, the pro tempore reporter shall receive the same per diem fee paid regular official reporters of the municipal courts for the days the pro tempore reporter actually is on duty under order of the court. Regular official reporters and pro tempore reporters shall not receive more than one per diem fee a day from the county. Rates of compensation of all regular official reporters and official reporters pro tempore may be adjusted by the board of supervisors. Adjustments in compensation made pursuant to this subdivision shall be effective only until January 1, 1979.

(c) In addition to the compensation provided in this section, regular official reporters of the municipal courts may be authorized by the board of supervisors to participate in any group health, accident, life insurance or deferred compensation plan adopted by the county.

(d) Regular official reporters shall be members of any retirement system maintained by the county. For retirement credit purposes,

compensation earnable shall be deemed to be the annual total of all per diem and transcription fees paid by the county to each regular official reporter up to a maximum of twenty-five thousand dollars ($25,000) per year.

Notwithstanding any other provision of law, for retirement credit purposes, regular official reporters performing services for the county on the effective date of this legislation may have their compensation earnable for past services based on the individual regular official reporter's total compensation received from the county for all services. The regular official reporter shall make application within 90 days after the effective date of this legislation and make payment of additional contributions based on the total compensation received from the county as determined by the county auditor. Regular official reporters may make additional contributions for up to a maximum of five consecutive years of past service prior to the effective date of this legislation; provided, however, that retirement credit for past services shall not exceed twenty-five thousand dollars ($25,000) per year.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act, because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

SEC. 4. The Legislature hereby finds and declares that, in view of its constitutionally delegated responsibility of setting salaries for court reporters, it is necessary to obtain information regarding the total compensation paid to court reporters from all sources so as to allow proper evaluation of legislative proposals relating to court reporters' salaries on an ongoing basis.

Such legislative proposals are not made on a uniform, statewide basis, but on a county-by-county basis. Therefore, it is necessary to monitor the compensation provided court reporters on an individual county basis reflecting the periodic legislative proposals which are made for specific counties. Accordingly, this legislation affecting Tulare County is necessary to permit the Legislature to carry out its constitutionally delegated responsibility of setting court reporters' salaries in this county in view of the submitted request for an adjustment in the compensation provided to court reporters in such county.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety, within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to employ and maintain sufficient numbers of competent official reporters to meet the needs of the courts affected by this act, it is necessary that this act go into effect at the earliest possible time.

CHAPTER 339

An act to amend Sections 8740.1 and 8742 of the Business and Professions Code, relating to land surveyors.

[Became law without Governor's signature July 4, 1976. Filed with Secretary of State July 6, 1976.]

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

SECTION 1. Section 8740.1 of the Business and Professions Code is amended to read:

8740.1. The first division of the examination shall test the applicant's knowledge of fundamental surveying, mathematics, and basic science. The board may prescribe by regulation reasonable educational or experience requirements but not to exceed two years of postsecondary education in land surveying or two years of experience in land surveying for admission to the first division of the examination. Applicants who have passed the engineer-in-training examination, or who hold professional engineer registration, are exempt from this division of the examination.

The second division of the examination shall test the applicant's ability to apply his or her knowledge and experience and to assume responsible charge in professional practice of land surveying.

SEC. 2. Section 8742 of the Business and Professions Code is amended to read:

8742. The educational qualifications and experience in land surveying, which an applicant for the second division examination shall possess, shall be not less than the following prescribed minima:

(a) Graduation from a four-year curriculum with an emphasis in land surveying approved by the board or accredited by a national or regional accrediting agency recognized by the United States Office of Education at a postsecondary educational institution and two years of actual experience in land surveying, including one year of responsible field training and one year of responsible office training; or

(b) Actual experience in land surveying for at least six years, including one year of responsible field training and one year of responsible office training.

One year of postsecondary education in land surveying shall be counted the same as one year of experience in land surveying up to a maximum of four years provided: (1) the applicant has graduated from the course in land surveying, and (2) the curriculum in land surveying is approved by the board or is accredited by a regional or national accrediting agency recognized for the purpose by the United States Office of Education. Each year of study in an approved or an accredited course in land surveying without graduation shall be counted the same as one-half year of experience.

(c) Each applicant claiming equivalent credit for education may

be required to produce a complete transcript of all college level courses completed.

CHAPTER 340

An act to amend Section 69995 of the Government Code, relating to courts.

[This bill became law without the Governor's signature July 7, 1976 Filed with Secretary of State July 7, 1976.]

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

SECTION 1. Section 69995 of the Government Code is amended to read:

69995. (a) In Ventura County, a majority of the judges of the superior court may appoint as many competent official phonographic reporters as the business of the superior court requires, and as required to provide court reporting service to the municipal court of the county as provided in subdivision (c). The court may additionally employ as many pro tempore phonographic reporters as may from time to time be required to supplement the services of the official court reporters. The court may further appoint one of the official court reporters to serve as senior superior court reporter to coordinate and supervise the activities of official and pro tempore court reporters.

Official reporters of the superior court shall be exempt from the provisions of any civil service system as employees of the court. They shall serve at the pleasure of a majority of the judges thereof, subject to such court rules and policy as may be adopted by the judges for regulation of superior court personnel. Official and pro tempore superior court reporters shall provide court reporting services for such departments of the superior court and divisions of the municipal court, for such criminal, juvenile and civil proceedings, and proceedings before the grand jury, as directed by the presiding judges of the respective courts, subject to the provisions of this section.

(b) The salary paid to official full-time superior court reporters for services in reporting any and all testimony and proceedings in the superior and municipal courts and before the grand jury, shall be a five-step salary range with biweekly amounts equivalent to ninety percent (90%) of the corresponding steps in the established salary range for official superior court reporters in Los Angeles County. The initial hiring rate for official superior court reporters shall be the first step of the salary range, and subsequent increases within the range shall be at intervals of six months from the first to second step, and one year between each succeeding step, as determined by the court, based on satisfactory performance. Nothing herein shall

prohibit the initial appointment or subsequent elevation of a reporter's salary from the steps herein specified, as may be determined by the court on the basis of experience, qualifications and meritorious performance. The salary of the official court reporter who is appointed to serve as senior superior court reporter, shall be fixed at ten percent (10%) above the biweekly salary steps specified for official superior court reporters.

The salary range of official court reporters may be adjusted by joint action and approval of the board of supervisors and a majority of the judges of the superior court. Such changes in compensation made pursuant to this provision shall be on an interim basis and shall expire January 1 following adjournment of the next regular session of the Legislature unless ratified at such session.

The per diem compensation for pro tempore reporters serving the superior or municipal court or the grand jury shall be established at one-tenth (1/10) of the top step in the biweekly salary range established for official superior court reporters, for each day of service or any portion thereof.

Official reporters of the superior court shall be entitled to all benefits provided for the employees of the county, including, but not limited to, participation in county retirement plans, vacation, holiday and sick leave benefits, and insurance plans. These benefits shall also include the same lump-sum payments for benefit accrual balances upon separation from service, as are made to employees of the county. All other compensation, fees, and benefits for official and pro tempore superior court reporters shall be as elsewhere provided by law.

(c) Upon request of the Presiding Judge of the Municipal Court of Ventura County, official and pro tempore reporters of the superior court shall act as pro tempore reporters in the municipal court in all proceedings of the municipal court where their services may be required. Official superior court reporters who are assigned to serve as pro tempore municipal court reporters under this provision, shall receive no additional compensation for such services, and pro tempore superior court reporters who are assigned to serve as pro tempore municipal court reporters shall not receive compensation in excess of one per diem fee for service in either or both of such courts on any single court day. Requests to provide the municipal court with the services of superior court reporters shall be directed to either the presiding judge or the executive officer of the superior court by either the presiding judge or the executive officer of the municipal court, and shall be effective only during the pleasure of the judges of both courts, a majority of the judges of each court concurring.

CHAPTER 341

An act to amend Sections 18100, 18102.5, 18103, 20603, 20603.02, 20604, 20605, 20606, 21400, and 21403 of, to add Chapter 3.6 (commencing with Section 18135) to Part 1 of Division 5 of Title 2 of, and to add Sections 20022.2, 20750.27, 20750.32, 20750.87, 21222.8, 21222.9, and 21365.6 to, the Government Code, to amend Section 4707 of the Labor Code, and to amend Section 1451 of, and to add Chapter 2.4 (commencing with Section 2781) to Part 2 of Division 1 of, the Unemployment Insurance Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1976. Filed with Secretary of State July 7, 1976.]

I am reducing the appropriation contained in Section 16 of Senate Bill No. 1555 from $55,176,821 to $37,126,821 by deleting the appropriations contained in subparagraphs (b), (c), (d), (e) and (f).

The bill in its final form allocates over 243 million dollars for pay and benefit increases in conjunction with this year's budget. Of that amount, over 230 million dollars will be distributed equally to all state employees, with the remaining 12 million dollars plus allocated for special inequities. This represents a fair and reasonable pay and benefit level reflecting the meet and confer sessions held with state employee organizations. Most of the reduced funds had been earmarked for additional pay increases which would have eroded the across-the-board concept.

With this deletion, I approve Senate Bill No. 1555.

EDMUND G. BROWN JR., Governor

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

SECTION 1. Section 18100 of the Government Code is amended to read:

18100. Following completion of one month of continuous service, except as otherwise provided in Section 18102.5 of the Government Code, each state officer and employee who is employed full time shall be allowed one day of credit for sick leave with pay. Thereafter, for each additional calendar month of service, except as provided in Section 18100.5, one day of credit for sick leave with pay shall be allowed. Each state officer or employee is entitled to such leave with pay, on the submission of satisfactory proof of the necessity for sick leave as provided by rule of the State Personnel Board. For purposes of computing sick leave, each employee shall be considered to work not more than five days each week. The State Personnel Board shall provide by rule for the regulation and method of accumulation of sick leave for civil service employees, and may provide sick leave for those who work less than full time. Subject to board rule sick leave may be granted to employees for the purpose of physical examinations.

SEC. 1.2. Section 18102.5 of the Government Code is amended to read:

18102.5. Notwithstanding any other provision of the law to the

contrary, a state officer or employee who is entitled to temporary disability indemnity under Division 4 or Division 4.5 of the Labor Code as a result of an industrial accident occurring during a period of employment for which he is not earning sick leave credit shall have sick leave credit of one day for each completed month of service during the time that he is not earning sick leave credit. If the employee is disabled because of an industrial injury arising out of said employment during said period the employee may elect to draw sick leave credit during such period of disability, such credit not to exceed one day of sick leave for each completed month of service that he is not earning sick leave credit and not to exceed a total of six days.

SEC. 1.5. Section 18103 of the Government Code is amended to read:

18103. The board may provide by rule for sick leave without pay for those employees who have used all sick leave with pay to which they are entitled.

SEC. 2. Chapter 3.6 (commencing with Section 18135) is added to Part 1 of Division 5 of Title 2 of the Government Code, to read:

CHAPTER 3.6. NONINDUSTRIAL DISABILITY INSURANCE

18135. As used in this chapter:

(a) "Employee" means a permanent or probationary full-time state officer or employee who is a member of the Public Employees' Retirement System or the State Teachers' Retirement System in compensated employment on and after the effective date of this chapter.

(b) "Full pay" means the gross base salary earnable by the employee, and subject to retirement contribution on the date of the commencement of his disability.

(c) "Disability" or "disabled" includes both mental or physical illness and mental or physical injury, and to the extent specified in Section 18135.5, pregnancy. An employee is deemed disabled on any day in which, because of his physical or mental condition, he is unable to perform his regular or customary work.

(d) "Disability benefit period", with respect to any individual, means the continuous period of disability beginning with the first day with respect to which the individual files a valid claim for nonindustrial disability benefits. For the purposes of this chapter, two consecutive periods of disability due to the same or related cause or condition and separated by a period of not more than 14 days shall be considered as one disability benefit period.

(e) "Department" means the Employment Development Department.

(f) "Director" means the Director of Employment Development.

(g) "Appeals board" means the California Unemployment Insurance Appeals Board.

18135.5. Benefits relating to pregnancy shall be paid under this

chapter only in accordance with the following:

(a) Disability benefits shall be paid upon a doctor's certification that the claimant is disabled because of an abnormal and involuntary complication of pregnancy, including, but not limited to: puerperal infection, eclampsia, cesarean section delivery, ectopic pregnancy, and toxemia.

(b) Disability benefits shall be paid upon a doctor's certification that a condition possibly arising out of pregnancy would disable the claimant without regard to the pregnancy, including, but not limited to: anemia, diabetes, embolism, heart disease, hypertension, phlebitis, phlebothrombosis, pyelonephritis, thrombophlebitis, vaginitis, varicose veins, and venous thrombosis.

18136. When an employee is disabled, whether temporarily or permanently, he shall become entitled, regardless of his period of service and subject to the provisions of this chapter, to receive nonindustrial disability benefits, and payments of one-half his full pay, but not to exceed one hundred twenty-five dollars ($125) per week, payable monthly for a period not exceeding 26 weeks for any one disability benefit period, but in no case shall benefits be payable for any day on and after death or separation or retirement from state service.

18137. A disabled employee is eligible to receive nonindustrial disability benefits under this chapter equal to one-seventh of his weekly benefit amount specified in Section 18136 for each full day during which he is unemployed due to a disability only if the director finds that:

(a) He has made a claim for disability benefits as required by authorized regulations.

(b) He has been disabled for a waiting period of seven consecutive days during each disability benefit period with respect to which waiting period no benefits under this chapter are payable except for confinement in a hospital or nursing home for at least one day.

(c) He has exhausted all such leave to which he was entitled under Chapter 3 (commencing with Section 18100) of this part.

(d) Except for an individual described in Section 2709 of the Unemployment Insurance Code, he has submitted to such reasonable examinations as the director may require for the purpose of determining his mental or physical disability.

(e) He has filed a certificate described in Section 2708 or 2709 of the Unemployment Insurance Code.

(f) Except as otherwise provided, he meets, in all other respects, the eligibility requirements imposed on individuals by Part 2 (commencing with Section 2601) of Division 1 of the Unemployment Insurance Code for receipt of unemployment compensation disability benefits.

In case of any conflict between the provisions of Part 2 (commencing wth Section 2601) of the Unemployment Insurance Code and the provisions of this chapter, the provisions of this chapter shall prevail.

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18137.5. A disabled employee shall be eligible to receive nonindustrial disability benefits under this chapter without being required to use any vacation leave accrued under Chapter 2 (commencing with Section 18052) of Part 1 of Division 5 of Title 2 of the Government Code, unless the employee, in his or her sole discretion, elects to use such vacation leave in lieu of receiving benefits under this chapter, in which case benefits under this chapter shall not commence until the employee has exhausted such accrued vacation leave.

18138. An employee is not eligible for disability benefits under this chapter with respect to any period for which the director finds that he has received or is entitled to receive unemployment compensation benefits under Part 1 (commencing with Section 100) of Division 1 of the Unemployment Insurance Code or under an unemployment compensation act of any other state or of the federal government.

18139. (a) Except as provided in this section, an individual is not eligible for disability benefits under this chapter for any day of unemployment and disability for which he has received, or is entitled to receive "other benefits" in the form of cash payments.

(b) "Other benefits" as used in this section means:

(1) Temporary disability indemnity under a workers' compensation law of this state or of any other state or of the federal government or under Chapter 3.5 (commencing with Section 18120) of this part.

(2) Temporary disability benefits under any employer's liability law of this state or of any other state or of the federal government.

(c) If such "other benefits" are less than the amount an individual would otherwise receive as disability benefits under this chapter, he shall be entitled to receive, for such day, if otherwise eligible, disability benefits under this chapter reduced by the amount of such "other benefits." If after receipt of, or determination of entitlement to receive, such other benefits, a claim for disability benefits under this chapter is filed during the same continuous period of disability, because of a disability for which a claim for such other benefits was made, the maximum amount of disability benefits payable under this chapter during the disability benefit period thereby established shall be reduced by the amount of such "other benefits" which the claimant has received or has been determined to be entitled to receive.

18140. Discretionary deductions of the employee, including those for coverage under a state health benefits plan in which the employee is enrolled, shall be deducted from the disability benefits under this chapter unless canceled by the employee. If an employee deduction under a state health benefits plan is continued, the state employer contribution shall also continue.

An employee shall not receive service credit under the Public Employees' Retirement System or the State Teachers' Retirement

System during the period of receipt of disability benefits under this chapter and contributions to the Public Employees' Retirement System or the State Teachers' Retirement System shall not be deducted. State employer contributions shall also not be made to either system during such period.

An employee shall not accrue sick leave or vacation credit or service credit for any other purpose during the period of receipt of disability benefits under this chapter.

18141. Filing, determination, and payment of disability benefit claims under this chapter shall be made in accordance with the procedures prescribed by Article 4 (commencing with Section 2701) of Chapter 2 of Part 2 of Division 1 of the Unemployment Insurance Code.

18142. The State Personnel Board shall adopt any rules and regulations necessary for the administration of this chapter. The Trustees of the California State University and Colleges shall adopt any rules and regulations necessary for the administration of this chapter for employees of the California State University and Colleges.

SEC. 2.5. Section 20022.2 is added to the Government Code, to read:

20022.2. Notwithstanding any other provisions of this part, "compensation" shall not include any benefits paid pursuant to Chapter 3.6 (commencing with Section 18135) of Part 1 of this division.

SEC. 3. Section 20603 of the Government Code is amended to read:

20603. (a) The normal rate of contribution for a state miscellaneous member whose service is not included in the federal system shall be 6 percent of the compensation in excess of three hundred seventeen dollars ($317) per month paid such member for service rendered on and after July 1, 1976. The normal rate of contribution for a school member, or a local miscellaneous member shall be 7 percent of the compensation paid such member for service rendered on and after the operative date of the amendments to this section at the 1971 Regular Session.

The normal rate of contribution as established under this subdivision for a member whose service is included in the federal system, and whose service retirement allowance is reduced under Section 21251.13 because of such inclusion, shall be reduced by one-third as applied to compensation not exceeding four hundred dollars ($400) per month for service after the date of execution of the modification of the federal-state agreement including such service in the federal system and prior to termination of such agreement with respect to the coverage group to which he belongs.

(b) The normal rate of contribution for a state miscellaneous member whose service has been included in the federal system shall be 5 percent of compensation in excess of five hundred thirteen dollars ($513) per month paid such member for service rendered on

and after July 1, 1976.

SEC. 3.5. Section 20603.02 of the Government Code is amended to read:

20603.02. Notwithstanding Section 20603.01, the normal rate of contribution for patrol members for service rendered on and after July 1, 1976, shall be 8 percent of the compensation in excess of two hundred thirty-eight dollars ($238) per month paid such members. The Legislature reserves the right to increase the rate of contribution of patrol members as it may find appropriate from time to time.

SEC. 4. Section 20604 of the Government Code is amended to read:

20604. The normal rate of contribution of a state safety member who is not subject to Section 21252.6 is the rate of contribution under this part as it read and applied to him as a forestry, warden, or law enforcement member on the day preceding the operative date of this section. The normal rate shall be reduced by 1 percent of compensation for service rendered on and after July 1, 1974, and shall be made only on the compensation in excess of three hundred seventeen dollars ($317) per month for time on or after July 1, 1976.

SEC. 5. Section 20605 of the Government Code is amended to read:

20605. For each state member subject to Section 21252.6 of this code, effective on the operative date of this section, or the later date of entrance into this system as such a member, the normal rate of contribution shall be 6 percent of compensation paid on and after such operative date.

Such contribution on and after July 1, 1976, shall be made only on the compensation in excess of three hundred seventeen dollars ($317) per month paid to such member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

For each local safety member subject to Section 21252.6 effective on the operative date of this section, or later date of entrance into this system as such a member, the normal rate of contribution shall be 7 percent of compensation.

The normal rate of contribution as established under this section for a local member whose service is included in the federal system and whose retirement allowance is reduced because of such inclusion shall be reduced by one-third as applied to compensation not exceeding four hundred dollars ($400) per month for service rendered after the date of execution of the modification of the federal-state agreement including such services in the federal system and prior to termination of his coverage under the federal system.

The operative date of this section with respect to a local safety member shall be the date upon which he becomes subject to Section 21252.6.

SEC. 6. Section 20606 of the Government Code is amended to read:

20606. For each state safety member defined in subdivision (b) of Section 20017.75 and whose current and prior service pensions will be computed pursuant to Section 21252.9, effective on July 1, 1976, the normal rate of contribution shall be 8 percent and shall be made only on the compensation in excess of two hundred thirty-eight dollars ($238) per month. The Legislature reserves the right to increase the rate of contribution as it may find appropriate from time to time. No adjustment shall be included in rates adopted under this section as the result of amendments hereto, changing the time at which members may retire or the benefits members will receive, because of time during which members have contributed at different rates prior to such adoption.

SEC. 6.5. Section 20750.27 is added to the Government Code, to read:

20750.27. The state's contribution to the retirement fund in respect to state patrol members provided by any and all other provisions of this chapter is increased by a sum equal to 0.92 percent of the compensation paid such members by such employer.

SEC. 7. Section 20750.32 is added to the Government Code, to read:

20750.32. The state's contribution to the retirement fund in respect to state safety members provided by any and all other provisions of this chapter is increased by a sum equal to 0.72 percent of the compensation paid such member by such employer.

SEC. 8. Section 20750.87 is added to the Government Code, to read:

20750.87. The state shall make contributions in addition to contributions otherwise specified in this chapter in a sum equal to 0.84 percent of the compensation paid state miscellaneous and industrial members

SEC. 9. Section 21222.8 is added to the Government Code, to read:

21222.8. In addition to the increase in allowance authorized by and granted pursuant to the provisions of Section 21222, and notwithstanding the limitation on such increases imposed by this article, the monthly allowance paid with respect to a state member, other than a school member, who retired or died prior to July 1, 1974, shall be increased by the percentage set forth opposite the period in the following table during which retirement became effective or death occurred:

Period during which retirement or death occurred:	Percentage:
On or before December 31, 1965	7%
12 months ending December 31, 1966	6%
12 months ending December 31, 1967	5%
12 months ending December 31, 1968	4%
12 months ending December 31, 1969	3%
18 months ending June 30, 1971	2%
36 months ending June 30, 1974	1%

The percentage shall be applied to the allowance payable on July 1, 1976, and the allowance as so increased shall be paid for time on and after that date and until the first day of April 1977. The base allowance shall be the allowance as so increased and the base year shall be the calendar year 1975 for annual adjustments of allowances increased under this section effective for time commencing on April 1, 1977.

SEC. 9.5. Section 21222.9 is added to the Government Code, to read:

21222.9. (a) In addition to the increase in allowance authorized by and granted pursuant to the provisions of Section 21222.8, and notwithstanding the limitation on such increases imposed by this article, the monthly allowance paid with respect to a state member, other than a school member, who retired or died prior to July 1, 1974, shall also be increased by the percentage set forth opposite the period in the following table during which retirement became effective or death occurred:

Period during which retirement or death occurred:	Percentage:
On or before December 31, 1965	1%
12 months ending December 31, 1966	2%
12 months ending December 31, 1967	3%
12 months ending December 31, 1968	4%
12 months ending December 31, 1969	3%
18 months ending June 30, 1971	2%
36 months ending June 30, 1974	2%

The percentage shall be applied to the allowance payable on July 1, 1976, and the allowance as so increased shall be paid for time on and after that date and until the first day of April 1977. The base allowance shall be the allowance as so increased and the base year shall be the calendar year 1975 for annual adjustments of allowances increased under this section effective for time commencing on April 1, 1977.

(b) The board shall pay the increases in allowances provided in subdivision (a) of this section only from funds specifically appropriated for the payment of the benefits provided by this section and, in the event, that less funds are specifically appropriated than the amount that the board determines is necessary to pay all of the benefits provided in subdivision (a), the board shall reduce the percentage of increase by a proportionate amount and, if no funds are specifically appropriated for such benefits, the board shall not pay the increases in allowances provided in subdivision (a).

Neither the retirement fund, nor any other fund not specifically appropriated for the payment of the benefits prescribed by this section, shall be liable for the payment of the benefits prescribed by

this section.

SEC. 10. Section 21365.6 is added to the Government Code, to read:

21365.6. The surviving spouse of a member who has attained the minimum age for voluntary retirement for service, and who is eligible to receive an allowance pursuant to Section 21365.5 or a special death benefit in lieu of an allowance under Section 21365.5, may elect to instead receive an allowance which is equal to the amount that the member would have received if the member had been retired from service on the date of death and had elected optional settlement two. The allowance shall be payable as long as the surviving spouse lives or until remarriage. Upon the death or remarriage of the surviving spouse, the benefit will be continued to minor children, as defined in Section 25 of the Civil Code, or a lump sum will be paid as provided under such circumstances in Section 21365.5 or in Sections 21364 and 21366, as the case may be.

This section shall only apply with respect to state members, other than school members, whose death occurs on and after July 1, 1976.

SEC. 11. Section 21400 of the Government Code is amended to read:

21400. The purpose of this article is to provide group term life insurance benefits for members of this system who are employees of the State of California or the university. Notwithstanding any other provision of this part, this article shall not apply to a school member, or any other local member.

SEC. 12. Section 21403 of the Government Code is amended to read:

21403. An insured member, for purposes of this part, is a member of this system who is a state or university employee and whose death occurs under conditions specified in Section 21404.

SEC. 12.5. Section 4707 of the Labor Code is amended to read:

4707. No benefits, except reasonable expenses of burial, not exceeding one thousand dollars ($1,000) shall be awarded under this division on account of the death of an employee who is a member of the Public Employees' Retirement System unless it shall be determined that a special death benefit, as defined in the Public Employees' Retirement Law, or the benefit provided in Section 21365.6 of the Government Code, will not be paid by the Public Employees' Retirement System to the widow or children under 18 years of age, of the deceased, on account of said death, but if the total death allowance paid to said widow and children shall be less than the benefit otherwise payable under this division such widow and children shall be entitled, under this division, to the difference.

SEC. 13. Section 1451 of the Unemployment Insurance Code is amended to read:

1451. Except as provided in this chapter, a state employee shall be eligible for unemployment compensation benefits on the same terms and conditions as are specified by this part, Part 3 (commencing with Section 3501) of this division, and Part 4

(commencing with Section 4001) of this division, for all other individuals. Except as inconsistent with the provisions of this chapter, the provisions of this division and authorized regulations shall apply to any matter arising pursuant to this chapter. A state employee shall have no rights, based on state wages, to disability benefits under this division, except as provided in Chapter 2.4 (commencing with Section 2781) of Part 2 of Division 1.

SEC. 14. Chapter 2.4 (commencing with Section 2781) is added to Part 2 of Division 1 of the Unemployment Insurance Code, to read:

CHAPTER 2.4. NONINDUSTRIAL DISABILITY INSURANCE FOR STATE EMPLOYEES

2781. Except as provided in this chapter and Chapter 3.6 (commencing with Section 18135) of Part 1 of Division 5 of Title 2 of the Government Code, a state employee shall be eligible for nonindustrial disability benefits on the same terms and conditions as are specified by this part. Except as inconsistent with the provisions of this chapter and Chapter 3.6 (commencing with Section 18135) of Part 1 of Division 5 of Title 2 of the Government Code, the provisions of this division and authorized regulations shall apply to any matter arising pursuant to this chapter.

2782. (a) The provisions of Chapter 3 (commencing with Section 2800), Chapter 4 (commencing with Section 2901), Chapter 5 (commencing with Section 3001), and Chapter 6 (commencing with Section 3251) of Part 2 of this division do not apply to this chapter.

(b) The provisions of Article 2 (commencing with Section 2651), Article 6 (commencing with Section 2765) and Article 7 (commencing with Section 2775) of Chapter 2 of Part 2 of this division do not apply to this chapter.

(c) Sections 2609, 2610, 2611, 2625, 2710, 2711, 2712, and 2712.5 do not apply to this chapter.

2783. (a) Nonindustrial disability benefits are payable by the Controller upon authorization by the Employment Development Department to individuals who are eligible to receive such benefit payments under this chapter.

(b) In lieu of the contributions required of employees, the State of California shall pay into the Disability Fund in the State Treasury at the times and in the manner provided in subdivision (c), an amount equal to the additional cost to the Disability Fund for added administrative work arising out of nonindustrial disability insurance for state employees.

(c) In making the payments prescribed by subdivision (b), there shall be paid or credited to the Disability Fund, either in advance or by way of reimbursement, as may be determined by the director, such sums as he estimates the Disability Fund will be entitled to receive from the State of California under this section for each fiscal year, reduced or increased by any sum by which he finds that his

estimates for any prior fiscal year were greater or less than the amounts which should have been paid to the fund. Such estimates may be made upon the basis of statistical sampling, or other method as may be determined by the director.

Upon making such determination, the director shall certify to the Controller the amount determined with respect to the State of California. The Controller shall pay to the Disability Fund the contributions due from the State of California.

(d) The director may require from each state agency such employment, wage, financial, statistical, or other information and reports, properly verified, as may be deemed necessary by the director to carry out his duties under this chapter, which shall be filed with the director at the time and in the manner prescribed by him.

(e) The director may tabulate and publish information obtained pursuant to this chapter in statistical form and may divulge the name of the employing unit.

(f) Each state agency shall keep such work records as may be prescribed by the director for the proper administration of this chapter.

SEC. 15. Notwithstanding any provisions of the Budget Act of 1976, any and all funds appropriated by Items 95, 96, 98, 101, 102, and 103 of such act, may be allocated by the Director of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies for expenditure for the purposes of carrying out this act.

The State Personnel Board shall increase the salaries of full-time state employees by seventy dollars ($70) per month and the salaries of less than full-time state employees by a proportionate amount.

The salaries of members of the California Highway Patrol in the Department of the California Highway Patrol as specified in Section 2250 of the Vehicle Code who are included within the state civil service shall instead be increased by one hundred twenty dollars ($120) per month.

The State Personnel Board shall, in addition, provide increases to all classes of state civil service employees approved by the board for internal salary realignment adjustments on July 1, 1975, and certified by the board to the Department of Finance on or before July 1, 1976, in an amount that will complete the realignment approved.

Also, in order to maintain important internal relationships and recognize critical competitive needs, the State Personnel Board, in addition, shall increase by one-half step in the salary schedule, the salary ranges of classes of civil service employees within the occupational salary cost groups of: state police, special investigator, fire captain, institutional firefighter, and hydroelectric plant operator.

This provision shall only be applicable to salary adjustments during the 1976–77 fiscal year and thereafter the State Personnel Board shall establish and adjust salary ranges for each class of position in the state

civil service with consideration to be given to the prevailing rates for comparable service in other public employment and in private business as prescribed by Section 18850 of the Government Code.

SEC. 16. The sum of fifty-five million one hundred seventy-six thousand eight hundred twenty-one dollars ($55,176,821) is hereby appropriated for expenditure during the 1976–77 fiscal year as follows:

(a) To the Director of Finance for allocation to the several state offices, departments, boards, bureaus, commission, Regents of the University of California, Trustees of the California State University and Colleges, and other state agencies for the costs of the salary and other benefits prescribed by this act $37,126,821
(1) From the General Fund $23,842,821
(2) From special funds $4,888,000
(3) From other funds $8,396,000

(b) To the State Personnel Board for additional salary increases of one-half step in the salary schedule of salary ranges of civil service employees in addition to those salary groups named in Section 15 of this act in order to alleviate serious salary inequities $12,200,000
(1) From the General Fund $6,900,000
(2) From special funds $1,600,000
(3) From other funds $3,700,000

(c) To the Trustees of the California State Universities and Colleges from the General Fund for salary increases of one-half step in the salary schedule of salary ranges of nonfaculty employees, in addition to the salary increases contained in the Budget Act of 1976 in order to alleviate serious salary inequities $1,000,000

(d) To the Regents of the University of California from the General Fund for salary increases of one-half step in the salary schedule of salary ranges of noninstructional employees in addition to the salary increases contained in the Budget Act of 1976 in order to alleviate serious salary inequities $1,200,000

(e) To the State Personnel Board for additional salary increases of one-half step in the salary schedule of salary ranges of classes of civil service employees within the occupational salary group of attorney $850,000
(1) From the General Fund $510,000
(2) From special funds $127,500
(3) From other funds $212,500

(f) To the Public Employees' Retirement Fund to pay the costs of the increases in allowances contained in Section 21222.9 of the Government Code, as added by Section 9.5 of this act		$3,800,000
(1) From the General Fund.....	$2,280,000	
(2) From special funds	$570,000	
(3) From other funds.....	$950,000	

SEC. 16.5. This act, excepting Sections 2, 13, and 14, shall become operative on July 1, 1976. Sections 2, 13, and 14 of this act shall become operative with respect to periods of disability commencing on or after October 1, 1976.

SEC. 17. The Department of Finance shall conduct a study of the subject of providing dental care benefits for state employees under the State Employees' Medical and Hospital Care Act. The department in connection with such study may engage the services of outside firms.

The department shall report its findings and recommendations to the Governor and the Legislature on or before January 1, 1977.

SEC. 18. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the benefits of this act may be available to state employees at the commencement of the 1976–77 fiscal year, this act must take effect immediately.

CHAPTER 342

An act to amend the heading of Division 12 (commencing with Section 14000) of, to amend Sections 14000, 14001, 14101, and 14300 of, to amend and renumber Sections 14301 and 14307 of, to add Sections 14105, 14304, 14306, 14307, 14309, 14310, 14311, and 14312 to, to repeal Article 2.7 (commencing with Section 655) of Chapter 2 of Division 1 of, to repeal Division 12 (commencing with Section 14000) of, and to repeal Sections 14102, 14302, 14303, 14304, 14305, 14306, 14308, 14309, 14310, 14311, and 14312 of, the Public Resources Code, relating to conservation making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1976 Filed with Secretary of State July 7, 1976.]

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

SECTION 1. Article 2.7 (commencing with Section 655) of Chapter 2 of Division 1 of the Public Resources Code is repealed.

SEC. 2. The heading of Division 12 (commencing with Section 14000) of the Public Resources Code is amended to read:

DIVISION 12. CALIFORNIA CONSERVATION CORPS

SEC. 3. Section 14000 of the Public Resources Code is amended to read:

14000. The Legislature finds and declares that providing meaningful, productive, and gainful employment and opportunities for public service to the young men and women of this state in a healthful outdoor atmosphere constitutes an opportunity for training them in basic, employable skills, for instilling understanding and an appreciation of this state's natural environment, and for accomplishing projects of positive public benefit.

SEC. 4. Section 14001 of the Public Resources Code is amended to read:

14001. It is the intent of the Legislature in enacting this division to further the development and maintenance of the natural resources and environment of this state by the young men and women of this state, to benefit them by providing meaningful educational and work opportunities, to devote available resources of the state to providing on-the-job training to such persons so that they may acquire employable skills, experience, and knowledge, and to benefit the public by accomplishing useful and needed public works projects.

It is also the intent of the Legislature that young men and women be selected for the program authorized by this division on the basis of motivation for hard work, personal development, and public service and without regard to their prior employment or educational background. It is further intended that consideration be given to drawing upon the special skills of persons of all age groups who may contribute to the attainment of the objectives of the program.

SEC. 5. Section 14101 of the Public Resources Code is amended to read:

14101. "Corps" means the California Conservation Corps.

SEC. 6. Section 14102 of the Public Resources Code is repealed.

SEC. 7. Section 14105 is added to the Public Resources Code, to read:

14105. "Secretary" means the Secretary of the Resources Agency.

SEC. 8. Section 14300 of the Public Resources Code is amended to read:

14300. To carry out the purposes of, and to implement the findings and policies set forth in, this division, there is hereby established, in the Resources Agency, the California Conservation Corps. The secretary shall be responsible for the program, activities, and conduct of the corps. The secretary may delegate any portion of the authority or responsibilities established by this division.

SEC. 9. Section 14301 of the Public Resources Code is amended and renumbered to read:

14302. The corps shall engage in projects for conserving, improving, or developing natural resources, and enhancing, preserving, and maintaining environmentally important public lands and waters.

SEC. 10. Section 14302 of the Public Resources Code is repealed.

SEC. 11. Section 14303 of the Public Resources Code is repealed.

SEC. 12. Section 14304 of the Public Resources Code is repealed.

SEC. 13. Section 14304 is added to the Public Resources Code, to read:

14304. Projects shall be directed toward providing opportunities to the public for the use of these natural resources and environmentally important public lands and waters, while at the same time providing young men and women with an opportunity for personal development in a variety of basic skills. Projects shall be undertaken in both urban and rural areas and shall be selected on the basis of the environmental and natural resource benefits each offers, the opportunities for public use each offers, and the on-the-job training value of each.

SEC. 14. Section 14305 of the Public Resources Code is repealed.

SEC. 15. Section 14306 of the Public Resources Code is repealed.

SEC. 16. Section 14306 is added to the Public Resources Code, to read:

14306. To implement the provisions of this division, the secretary may do all of the following:

(a) Recruit and employ members of the corps.

(b) Adopt criteria for selecting applicants for employment in the corps program.

(c) Execute contracts containing such terms and conditions as are deemed necessary and desirable for the employment of corps members.

(d) Authorize utilization of the corps for emergency projects occasioned by natural disasters, fire prevention and suppression, rescue of lost or injured persons, and any other activity or project necessary or desirable to carry out the purposes of this division.

(e) Apply for and accept grants or contributions of funds from any public or private source.

(f) Purchase, rent, or otherwise acquire or obtain necessary property, supplies, instruments, tools, equipment, and conveniences.

(g) Execute contracts for furnishing the services of the corps to any federal, state, or local public agency; any local or statewide private organization concerned with the objectives of the corps' program, as specified in Sections 14000 and 14001; and any person, firm, partnership, or corporation concerned with such objectives.

(h) Procure insurance.

(i) Be reimbursed by the federal government, any state or local public agency, or any private organization for actual expenses incurred by the corps for any project undertaken for any such entity

pursuant to subdivision (d) or (g) of this section or pursuant to Section 14307.

(j) To the extent permitted by Article XXIV of the State Constitution, execute contracts with any person, natural or corporate, for the purpose of implementing the objectives of the corps, as specified in Sections 14000 and 14001.

SEC. 16.5. Section 14307 is added to the Public Resources Code, to read:

14307. Fire prevention and fire suppression shall be a major emphasis of the rural part of the program. The secretary shall designate certain rural conservation corps centers, specifically needed to assure emergency capability and readiness for firefighting and natural disaster relief, to be administered and directed by the State Forester. The recruitment, orientation, job training, project planning, educational and other services generally provided in the California Conservation Corps program shall be available to these designated centers and the State Forester shall operate those centers in accordance with the policies of the corps.

SEC. 17. Section 14307 of the Public Resources Code is amended and renumbered to read:

14308. In carrying out the provisions of this division, the secretary may utilize any services, materials, or property of any agency of the state and may make such agreements with any agency of the state, or take such other actions, as are reasonable and necessary.

SEC. 18. Section 14308 of the Public Resources Code is repealed.

SEC. 19. Section 14309 of the Public Resources Code is repealed.

SEC. 19.5. Section 14309 is added to the Public Resources Code, to read:

14309. On or before March 1, 1978, the secretary shall report to the Legislature regarding all projects undertaken by the corps since its establishment and shall include in such report an assessment of the success of each project in accomplishing the objectives of Sections 14000 and 14001.

SEC. 20. Section 14310 of the Public Resources Code is repealed.

SEC. 21. Section 14310 is added to the Public Resources Code, to read:

14310. Notwithstanding any other provision of law, an employee holding a position in the corps shall not receive unemployment insurance or state retirement benefits.

SEC. 22. Section 14311 of the Public Resources Code is repealed.

SEC. 22.5. Section 14311 is added to the Public Resources Code, to read:

14311. On or before December 31, 1979, the secretary shall report to the Legislature regarding all projects undertaken by the corps since its establishment and shall include in such report an assessment of the success of each project in accomplishing the objectives of Sections 14000 and 14001.

SEC. 23. Section 14312 of the Public Resources Code is repealed.

SEC. 23.5. Section 14312 is added to the Public Resources Code, to read:

14312. This division shall remain in effect only until January 1, 1981, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1981, deletes or extends such date.

SEC. 24. The sum of five million dollars ($5,000,000) is hereby appropriated from the General Fund to the Secretary of the Resources Agency to be used in augmentation of Item 232 of the Budget Act of 1976 for the support of the component parts of the California Conservation Corps.

SEC. 25. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The projects to be undertaken pursuant to this act will contribute to the reduction of the widespread unemployment presently existing in the state, while at the same time providing needed public improvements and job training. Such projects are to be funded pursuant to Item 232 of the Budget Bill for the 1976–77 fiscal year, as proposed. If such projects are to commence concurrently with the effective date of the Budget Act of 1976, and inasmuch as this act and the Budget Bill proposal contemplate that the functions of the Ecology Corps, which are an indispensable part of the state's fire prevention and suppression capability, will be carried on by the Conservation Corps, it is necessary that this act take effect immediately.

CHAPTER 343

An act to amend Sections 40201, 40402, 40405, 40406, 41006, 41007, 41201.1, 41202, 41203, 41402, 41404, 42200, 42401, 43003, and 43203 of, and to add and repeal Section 40406.5 of, the Education Code, and to amend Section 19.6 of the Budget Act of 1975 (Chapter 176, Statutes of 1975), and to amend Section 19.6 of the Budget Act of 1976, relating to postsecondary education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1976. Filed with Secretary of State July 7, 1976.]

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

SECTION 1. Section 40201 of the Education Code is amended to read:

40201. (a) Each member of the commission shall have a four-year term; provided, that members appointed pursuant to subdivision (d) of Section 40200 shall have two-year terms.

(b) The members appointed pursuant to subdivisions (a), (d),

and (f) of Section 40200 shall be appointed effective January 1, 1976.

(c) At no time shall both student representatives be enrolled in a California independent college or university or the University of California or the California State University and Colleges or a California community college.

(d) Current members of the Student Aid Commission shall serve on the commission for the remainder of the terms for which they were appointed, and such members may be reappointed. Notwithstanding Section 40200, the commission shall consist of 13 members in 1976, 12 members in 1977, 1978, and 1979, and 11 members thereafter.

(e) Appointment to the commission shall be made by the Governor subject to confirmation by the Senate.

(f) Any vacancy shall be filled by the appointment of a person who will have the same status as the predecessor of the appointee. The appointee shall hold office only for the balance of the unexpired term.

(g) Whenever by the provisions of any act of Congress a program of scholarships or grants for undergraduate students is established which permits administration of such program within a state by a state agency, the Student Aid Commission, as established by Section 40200, shall administer such act within the state if the Governor and the Student Aid Commission, by a majority vote of its entire membership, determine that the participation by the state in the federal scholarship or grant program under such act would not interfere with or jeopardize the continuation of the scholarship program established under Sections 40400 to 40415, inclusive.

The commission shall constitute the state commission on federal scholarships or grants and is hereby empowered to formulate a plan for development and administration of any such federal scholarship or grant program within the state.

Subject to the provisions of this chapter, the commission is hereby vested with all necessary power and authority to cooperate with the government of the United States, or any agency or agencies thereof, in the administration of any act of Congress establishing a scholarship or grant program and the rules and regulations adopted thereunder.

Before adopting a state plan the Student Aid Commission, acting as the state commission on federal scholarships or grants, shall hold public hearings as provided in the California Administrative Procedure Act.

SEC. 2. Section 40402 of the Education Code is amended to read:

40402. There shall be 22,700 new Cal Grant awards for new recipients for the 1977–1978 fiscal year and each year thereafter, except that new scholarships in subdivision (a) in excess of 4.25 percent of the number of high school graduates of the previous fiscal year, in subdivision (b) in excess of 3,100, and in subdivision (c) in excess of 700 shall not be awarded unless there are federal student financial aid funds available to the Student Aid Commission in an amount necessary to fund such awards in the aggregate or unless the

Legislature acts in the future to fund such awards. First priority for federal-state student incentive grant funds shall be for students originally funded from state student incentive grant funds who are eligible for renewal. Such grants shall be allocated as follows:

(a) 14,900 awards for the 1977–1978 fiscal year, and each fiscal year thereafter, to be utilized for tuition and student fees pursuant to Section 40405.

(b) 6,825 awards for the 1977–1978 fiscal year and each fiscal year thereafter, to be utilized for tuition, student fees, and subsistence costs pursuant to Section 40406.

(c) 975 awards for the 1977–1978 fiscal year and each fiscal year thereafter, to be utilized for occupational or technical training pursuant to Section 40407 through 40411.

In allocating federal student financial aid funds among programs and between new and renewal recipients, the commission shall insure full utilization of all federal student financial aid funds for which the commission is eligible.

SEC. 3. Section 40405 of the Education Code is amended to read:

40405. A Cal Grant award for tuition and student fees as provided in subdivision (a) of Section 40402 may be utilized at any California postsecondary educational institution or program eligible to participate in the Federal Basic Educational Opportunity Grant Program, or any institution recognized as a candidate for accreditation by the Western Association of Schools and Colleges or approved under the requirements of paragraph (2) of subdivision (a) of Section 29023, provided that such award may not be utilized by a student enrolled in an instructional program of less than two years. No such award may exceed the cost of tuition and fees, and shall in no event exceed the sum of two thousand seven hundred dollars ($2,700). Such awards may not be utilized for graduate study, and may be renewed for a total of four years of full-time attendance after first entering a postsecondary education institution in an instructional program or an equivalent thereof, provided that financial need continues to exist.

SEC. 4. Section 40406 of the Education Code is amended to read:

40406. To be eligible for a Cal Grant award for tuition, student fees, and subsistence costs as provided in subdivision (b) of Section 40402 the student shall be a disadvantaged student under criteria to be established by the commission, which shall take into consideration those financial, educational, cultural, language, home, community, environmental, and other conditions which tend to make difficult the gaining access to and persisting in postsecondary programs. Such awards may be utilized for tuition, student fees, living expenses, transportation, supplies, and books.

The Legislature recognizes that the role of the community colleges, as the least expensive level of California higher education, is a crucial role in increasing the higher education opportunities for disadvantaged students, and it is the intent of the Legislature that the additional opportunities for higher education provided pursuant to

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this chapter shall be initiated primarily on the public community college level.

Grants awarded under this chapter shall be for living expenses, transportation, supplies and books, according to the student's financial need, and shall not be in excess of one thousand one hundred dollars ($1,100) per academic year. The Student Aid Commission may also award such grants and an additional amount to pay tuition and fees to attend college at a public or private four-year college or university or other eligible postsecondary educational institution. Any eligible student who has been awarded an initial grant on the basis of need and attendance at a public community college may transfer to another eligible college without being eliminated from the program. In such cases, no adjustments to the initial grant shall be made for tuition and fees.

In no case shall Cal Grant awards exceed the sum of three thousand six hundred dollars ($3,600), and such awards may not be utilized for graduate study. The awards may be utilized at any California postsecondary educational institution or program eligible to participate in the Federal Basic Educational Opportunity Grant Program, or any institution recognized as a candidate for accreditation by the Western Association of Schools and Colleges or approved under the requirements of paragraph (2) of subdivision (a) of Section 29023, provided that such award may not be utilized by a student enrolled in an instructional program of less than nine months. On and after June 30, 1980, the award may be utilized by a student enrolled in an instructional program of not less than two academic years. The awards may be renewed for a total of four years of full-time attendance after first entering a postsecondary education institution in an instructional program or an equivalent thereof, provided that financial need continues to exist.

SEC. 4.5. Section 40406.5 is added to the Education Code, to read:

40406.5. It is the intent of the Legislature that the Student Aid Commission shall experiment with awarding Cal Grants to students in proprietary schools. The Student Aid Commission shall report to the Legislature no later than July 1 of each year as to the extent which this intent is met within the provisions of Sections 40405 and 40406 and the following information on students attending proprietary postsecondary educational institutions:

(a) The number of students receiving Cal Grants.

(b) The names of the institutions attended by these students.

(c) The attrition rate of these students compared to students attending two- and four-year colleges or universities.

(d) The primary fields of study offered by these proprietary postsecondary educational institutions.

(e) A representative sampling of the family income of students.

This section shall remain in effect only until June 30, 1980, and as of that date is repealed.

SEC. 5. Section 41006 of the Education Code is amended to read:

41006. A scholarship award winner may use his scholarship at any one of the institutions of collegiate grade located in California if such institution offers a two-year junior college or four-year college course and is accredited or accepted as a recognized candidate for accreditation by the Western Association of Schools and Colleges. Nothing contained in this chapter shall be interpreted to require any such institution to admit into such institution, or once admitted to continue in such institution, an award winner.

Commencing with the 1977–78 academic year, students eligible for renewal awards may use their grants at any institution qualifying under Section 40405.

SEC. 6. Section 41007 of the Education Code is amended to read:

41007. Each competitive scholarship is for the period of one academic year and the award shall be for three hundred dollars ($300) to not to exceed two thousand seven hundred dollars ($2,700) in one-hundred-dollar ($100) amounts at the college the award winner will attend, as required by applicant's financial need, as determined by the commission, but in no event in excess of an amount equal to the tuition or necessary fees, or both tuition and fees, for the academic year, including summer terms, sessions, or quarters of the institution at which the scholarship is used. No competitive scholarship awarded to an applicant under this section for the period of one academic year shall exceed the total amount of two thousand seven hundred dollars ($2,700); except that the commission may, for students who accelerate college attendance, increase the amount of award for one academic year proportional to the period of additional attendance resulting from attendance at a summer term, session, or quarter. In the aggregate, the total amount a student would receive in a four-year period may not be increased as a result of accelerating his progress to a degree by attending summer terms, sessions, or quarters. The commission may provide by appropriate rules and regulations for such reports, accounting, and statements from the award winner and college or university of attendance pertaining to the use or application of the award as it may deem proper. A competitive scholarship may be renewed annually without an additional competitive examination until the award winner has received four annual awards or until he has been graduated from such an institution in an undergraduate course, whichever is the earlier, provided that at or prior to such renewal the commission shall reassess the financial needs of such award winner and establish the amount of the award within the limits prescribed by this section. The scholarship shall remain in effect only during the period that the award winner achieves satisfactory academic progress and is regularly enrolled as a full-time student in an institution of collegiate grade, as described in Section 41006, or commencing with the 1977–78 academic year, as a part-time student as specified in Section 40404.

SEC. 7. Section 41201.1 of the Education Code is amended to read:

41201.1. There shall be 3,100 new grants available for the 1975–1976 fiscal year and 6,825 new grants available for the 1976–1977 fiscal year, except that new grants in excess of 5,375 shall not be awarded unless there are federal student financial aid funds available to the Student Aid Commission in an amount necessary to fund such awards. First priority for federal state student incentive grant funds shall be for students originally funded from state student incentive grant funds who are eligible for renewal.

SEC. 8. Section 41202 of the Education Code is amended to read:

41202. The recipients of such grants shall be eligible for renewal of their awards until they have completed an A.B. degree or its equivalent in conformance with the terms prescribed by the commission, which terms shall not be in conflict with this chapter. Such grants may be awarded to eligible students who attend public community colleges for vocational purposes terminating with a two-year course of study, or commencing with the 1977–78 academic year, by a part-time student as specified in Section 40404. Such grants may be utilized at summer quarters or terms; provided, that the aggregate amount of aid received over a four-year period may not be increased as a result of attending a summer term.

SEC. 9. Section 41203 of the Education Code is amended to read:

41203. To be eligible for a grant under this chapter, a student shall meet all of the following:

(a) Be a disadvantaged student under criteria to be established by the commission, which shall take into consideration those financial, educational, cultural, language, home, community, environmental, and other conditions which tend to make difficult the gaining access to and persisting in postsecondary programs.

(b) Be in need of financial assistance to attend college.

(c) Have demonstrated substantial potential for successfully participating at an institution of higher education and for future leadership in the community.

(d) Be a resident of the State of California, as defined in Article 5 (commencing with Section 22845) of Chapter 7 of Division 16.5.

(e) Be a citizen of the United States or have been admitted to permanent residence.

(f) Be admitted to and enrolled in a California public community college either accredited by or accepted as a recognized candidate for accreditation by the Western Association of Schools and Colleges, or be admitted to and enroll in a California public or private college accredited by the Western Association of Schools and Colleges as a full-time undergraduate student. Commencing with the 1977–78 academic year, students eligible for renewal awards may use their grants at any institution qualifying under Section 40406.

(g) Maintain satisfactory progress toward a degree and eligibility as defined by the commission.

SEC. 10. Section 41402 of the Education Code is amended to read:

41402. To be eligible for an occupational education and training

grant under this chapter, an applicant shall meet all of the following requirements:

(a) Be a resident of the State of California, as defined in Article 5 (commencing with Section 22845) of Chapter 7 of Division 16.5.

(b) Be a citizen of the United States or have been admitted to permanent residence.

(c) Demonstrate occupational achievement or aptitude and financial need. In determining occupational achievement or aptitude, the commission may use acceptable testing procedures to the extent these are available. In determining financial need of an applicant, the commission shall expect each student to make a self-help contribution toward occupational or technical training costs and the financial status of his parents shall be taken into consideration.

(d) Use his grant for occupational or technical training in California in institutions either accredited or accepted as a recognized candidate for accreditation by the Western Association of Schools and Colleges or by a national accrediting association recognized by the United States Office of Education. As used in this section, "occupational or technical training" shall mean that phase of education coming after the completion of a secondary school program and leading toward recognized occupational goals approved by the commission, which shall include three-year hospital-based programs to train licensed registered nurses approved by the Board of Registered Nursing. Commencing with the 1977–78 academic year, students eligible for renewal of awards may use their grants at any institution qualifying under Section 40407.

(e) Have applied for a state occupational education and training grant and have met the criteria established by the commission for eligibility for such grant.

(f) Have complied with all of the rules and regulations adopted by the commission for the award, regulation, and administration of state occupational education and training grants adopted pursuant to this chapter.

SEC. 11. Section 41404 of the Education Code is amended to read:

41404. The recipients of such grants shall be eligible for renewal of their grants until they have completed their occupational or technical training in conformance with terms prescribed by the commission. In no case shall such grants exceed two calendar years, except that recipients enrolled in three-year, hospital-based programs to train licensed registered nurses may receive grants for a maximum of three calendar years; nor shall such grants be awarded for a course of training of less than six weeks duration, except that commencing with the 1977–78 academic year, grants may be used by a part-time student as specified in Section 40404.

SEC. 12. Section 42200 of the Education Code is amended to read:

42200. There is hereby created a state competitive graduate

fellowship program with fellowships to be provided by the state and used by award winners for graduate study in colleges and universities located in California and accredited by the Western Association of Schools and Colleges, or in a professional school with a program leading to a graduate level professional law degree which is located in California and which is accredited pursuant to Chapter 4 (commencing with Section 6000) of Division 3 of the Business and Professions Code. As used in this section "graduate study" shall mean that phase of education coming after the completion of the baccalaureate degree and leading toward a recognized graduate or professional degree. Awards shall be granted to students with academic ability and financial need. The financial status of the applicant's parents shall be taken into consideration in determining the applicant's financial need. In determining the financial need of an applicant, the Student Aid Commission shall also expect each student to make a self-help contribution toward college costs through loans or employment or a combination of loans and employment.

SEC. 13. Section 42401 of the Education Code is amended to read:

42401. (a) There is hereby created a pilot program of tuition grants to be administered by the Student Aid Commission for California resident undergraduate students enrolled in independent institutions of collegiate grade accredited by the Western Association of Schools and Colleges. To be eligible for a tuition grant, a student must meet the academic eligibility requirements for a scholarship under the state competitive scholarship program as determined in accordance with this chapter and the financial eligibility requirements established in subdivision (d).

(b) Tuition grants shall be available to students who are residents of the State of California as defined in subdivision (a) of Section 41003 and who are entering independent colleges as undergraduate students. Such grants shall be renewable on an annual basis, shall not exceed four years or the completion of the baccalaureate degree, whichever first occurs, and shall be administered insofar as not inconsistent with the provisions of Chapter 4 (commencing with Section 41000) of this division.

(c) A tuition grant shall be in the amount of nine hundred dollars ($900) per academic year or one-third of the cost of tuition per academic year, whichever is less.

(d) No student shall be eligible for financial aid under this section if such student's annual financial resources as determined by the commission exceed by more than one thousand five hundred dollars ($1,500) the resources of a student eligible for a minimum state scholarship award at the institution attended. Nor shall any student receive aid hereunder during any year in which such student is eligible for and accepts financial aid from the state competitive scholarship program or the college opportunity grant program.

(e) There shall be available up to 1,250 new grants in each of the 1975–76, 1976–77, and 1977–78 fiscal years, and the recipients of such

grants shall be eligible for renewal of their awards on an annual basis, subject to such limitations as may be established by or pursuant to subdivisions (a), (b), and (d) and such recipients' continuance of satisfactory progress toward a degree, as such progress may be defined by the commission.

(f) The commission shall adopt such rules and regulations as may be necessary to carry out the provisions of this section.

SEC. 14. Section 43003 of the Education Code is amended to read:

43003. The Student Aid Commission shall administer the guaranteed loan program established pursuant to this chapter. The commission is hereby vested with authority to enter into any contract with the United States Commissioner of Education or any other federal officer or agency under Title IV of the Higher Education Act of 1965, any extension thereof, or any similar act of Congress, and is hereby vested with all other necessary power and authority to cooperate with the government of the United States, or any agency or agencies thereof, in administration of the act of Congress and the rules and regulations adopted thereunder. The commission shall adopt any rules and regulations it deems necessary for the proper administration of this chapter.

SEC. 15. Section 43203 of the Education Code is amended to read:

43203. The Student Aid Commission shall have the authority to contract on behalf of the state with private colleges and universities maintaining and operating a recognized school of medicine and accredited by the Joint Liaison Committee of the American Medical Association and the Association of American Medical Colleges, which have an affirmative action program approved by the State Fair Employment Practice Commission for the equitable recruitment of instructors and medical students, for the purpose of inducing such colleges and universities to refrain from reducing enrollment and to increase enrollment in the medical schools located in California.

To further this purpose, the commission is authorized to contract with non-state-supported medical schools to increase their enrollment above the number of total students enrolled for the 1970–71 academic year. The commission is authorized to make annual payments of twelve thousand dollars ($12,000) for each medical student enrolled up to the total enrollment above the enrollment for the 1970–71 academic year. The annual payment for each additional medical student enrolled shall be decreased by the amount of any federal funds granted per medical student enrolled in any such schools during the academic year. The commission may also enter into similar contracts with medical schools formed on or after January 1, 1971, which have at least provisional accreditation from the Joint Liaison Committee of the American Medical Association and the Association of American Medical Colleges.

SEC. 16. Section 19.6 of the Budget Act of 1975 (Chapter 176, Statutes of 1975) is amended to read:

Sec. 19.6. It is necessary that the Student Aid Commission announce awards in the spring of each year, often prior to the time the Budget Act containing the appropriation for this purpose is enacted, in order that students receiving the awards and grants may have sufficient time to plan for entering or returning to school the following fall.

(a) Since the Student Aid Commission must announce in the spring of 1976 those individuals to whom state scholarship awards will be granted for the following fall semester of 1976 and, since the Budget Act of 1976 may not be enacted in adequate time, the Student Aid Commission is authorized to announce competitive scholarship winners for the maximum number of new awards authorized by Section 41004 of the Education Code in an amount not to exceed sixteen million eight hundred seventy thousand nine hundred forty dollars ($16,870,940) during the 1975–76 fiscal year for awards to be in effect during the 1976–77 fiscal year.

(b) Since the Student Aid Commission must announce in the spring of 1976 those individuals to whom graduate fellowship awards will be granted for the following fall semester of 1976 and, since the Budget Act of 1976 may not be enacted in adequate time, the Student Aid Commission is authorized to announce graduate fellowship winners for the awards authorized by Section 42208 of the Education Code in an amount not to exceed two million dollars ($2,000,000) during the 1975–76 fiscal year for awards to be in effect during the 1976–77 fiscal year.

(c) Since the Student Aid Commission must announce in the spring of 1976 those individuals to whom college opportunity grants will be granted for the following fall semester of 1976 and, since the Budget Act of 1976 may not be enacted in adequate time, the Student Aid Commission is authorized to announce college opportunity grant winners for the maximum number of new awards authorized by Section 41201.1 of the Education Code in an amount not to exceed five million four hundred five thousand four hundred dollars ($5,405,400) during the 1975–76 fiscal year for awards to be in effect during the 1976–77 fiscal year.

(d) Since the Student Aid Commission must announce in the spring of 1976 those individuals to whom occupational training grants will be granted for the following fall semester of 1976 and, since the Budget Act of 1976 may not be enacted in adequate time, the Student Aid Commission is authorized to announce occupational training grant winners for the maximum number of awards authorized by Section 41403.1 of the Education Code in an amount not to exceed one million sixty-eight thousand six hundred dollars ($1,068,600) during the 1975–76 fiscal year for awards to be in effect during the 1976–77 fiscal year.

SEC. 17. Section 19.6 of the Budget Act of 1976 is amended to read:

Sec. 19.6. It is necessary that the Student Aid Commission announce awards in the spring of each year, prior to the time the

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Budget Act containing the appropriation for this purpose is enacted, in order that students receiving the awards may have sufficient time to plan for entering school the following fall. Since the Student Aid Commission must announce in the spring of 1977 those individuals to whom California educational opportunity grants and graduate fellowships will be granted for the following fall semester of 1977 and, since the Budget Act of 1977 may not be enacted in adequate time, the Student Aid Commission is authorized to announce the following awards during the 1976–77 fiscal year for awards to be in effect during the 1977–78 fiscal year, except that awards (1) in subdivision (a) in excess of 4.25 percent of the number of high school graduates of the previous fiscal year, (2) in subdivision (b) in excess of 3,100, and (3) in subdivision (c) in excess of 700, shall not be announced unless the Student Aid Commission has certified to the Director of Finance that there are federal funds available to the Student Aid Commission in an amount necessary to fund such awards after funding all eligible renewals in accordance with the provisions of Section 40402 of the Education Code:

(a) 14,900 new Cal Grant awards as authorized by subdivision (a) of Section 40402 of the Education Code, in an amount not to exceed seventeen million four hundred sixty-two thousand eight hundred dollars ($17,462,800).

(b) 6,825 new Cal Grant awards as authorized by subdivision (b) of Section 40402 of the Education Code, in an amount not to exceed five million four hundred five thousand four hundred dollars ($5,405,400).

(c) 975 Cal Grant awards as authorized by subdivision (c) of Section 40402 of the Education Code, in an amount not to exceed one million sixty-eight thousand six hundred dollars ($1,068,600).

(d) Graduate fellowship winners for the awards authorized by Section 42208 of the Education Code, in an amount not to exceed two million dollars ($2,000,000).

SEC. 18. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that an additional 2,275 low-income students are provided financial assistance to enter postsecondary education in the 1976–77 school year, in order that this act may revise provisions contained in the Budget Act of 1975, which went into effect on July 1, 1975, and in order that the revision of the Budget Act language may take effect in the spring of 1976, it is necessary that this act go into effect at the earliest possible time. Thus, it is necessary that this act take effect immediately.

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CHAPTER 344

An act to amend Section 16735 of, and to add and repeal Division 12.4 (commencing with Section 16690) of, the Education Code, relating to child care, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1976. Filed with Secretary of State July 7, 1976.]

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

SECTION 1. Division 12.4 (commencing with Section 16690) is added to the Education Code, to read:

DIVISION 12.4. ALTERNATIVE CHILD CARE PROGRAMS

CHAPTER 1. GENERAL PROVISIONS

16690. This division shall remain in effect only until June 30, 1979, and as of that date is repealed.

The Legislature declares that it is necessary to design effective and economical methods for meeting the future requirements of California families eligible for subsidized child care. Therefore,

(a) It is the intent of the Legislature that funds allocated pursuant to this division shall:

(1) Test potential cost-reducing features and delivery methods on a trial basis in child care programs; and

(2) Insure that a broad range of services is available to maximize the opportunity for parental choice.

(b) It is further the intent of the Legislature that child care programs funded through this division be designed to:

(1) Address the unmet needs in urban, suburban, and rural areas of the state;

(2) Encourage community level coordination in support of child care services; and

(3) Offer replicable features which may be adopted by other child care provider agencies.

(c) The Legislature further declares its intent to fund programs that may be implemented through a variety of delivery systems.

16690.1. Eligibility for subsidized child care services pursuant to this division shall be based on a family's ability to pay, as determined by family size and gross income. Initial eligibility shall be limited to families whose gross income is 84 percent or less of California's median family income, adjusted for family size. Priority in the initial admission to a program providing such services shall be given to working single-parent families and working families with the lowest income, and single-parent families or families with the lowest income who require subsidized child care in order to maintain or commence

an employment training plan or in order to seek employment.

Exceptions to these eligibility and priority standards may be made for children who are neglected or abused, or at risk of being neglected or abused, upon written referral from a public or voluntary social service agency.

16690.2. The Superintendent of Public Instruction shall establish a fee schedule for families utilizing services provided pursuant to this division. The schedule shall define fees as a proportionate share of actual or maximum reimbursable program costs, whichever is less. The fees assessed under this schedule shall begin at 10 percent of program costs for families whose gross monthly income is 50 percent of the state median income, adjusted for family size, and shall progress proportionately to 100 percent of program costs for families whose gross monthly income is 115 percent of the state median income adjusted for family size. No recipient of public assistance shall pay a fee.

16690.3. The Superintendent of Public Instruction shall establish guidelines according to which providers of services pursuant to this division will certify children as eligible for reimbursement pursuant to Sections 16690.1 and 16690.2.

16690.4. The maximum reimbursement rate by the Department of Education for child-hour costs for child care services provided pursuant to this division shall be one dollar and fourteen cents ($1.14), minus parent fees, or the actual program costs, minus parent fees, whichever is less, for children age two years and over. For children under two years of age, the maximum reimbursement level shall be one dollar and thirty-five cents ($1.35), minus parent fees, or actual program costs, minus parent fees, whichever is less. These maximum reimbursement rates may be waived, on a limited basis, by the Superintendent of Public Instruction, upon approval of the Secretary of the Health and Welfare Agency, for programs that demonstrate a need for increased reimbursement due to special circumstances directly related to the health and welfare of participating children.

The Superintendent of Public Instruction may authorize increased reimbursement for such programs not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than lesser time as the chairman of said committee, or his designee, may in each instance determine.

If programs operated pursuant to this division utilize reimbursement procedures other than payment per child-hour, the cost per child, when converted to child-hours, shall not exceed the applicable maximum reimbursement level.

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CHAPTER 2. ADMINISTRATION AND WAIVER PROVISIONS

16691. All programs operated pursuant to this division shall be by contract with the Department of Education and shall adhere to all applicable rules and regulations established by the Superintendent of Public Instruction. Such rules and regulations shall be adopted after the Secretary of the Health and Welfare Agency has been given an opportunity to provide his advice and recommendations and shall be consistent with the operative licensing interagency agreement between the Department of Education and the Department of Health.

16691.1. To promote greater program flexibility for programs under this division, the requirements of Division 12.5 (commencing with Section 16700) are not applicable to programs established pursuant to this division. The Superintendent of Public Instruction may waive other Education Code provisions for the implementation of programs established pursuant to this division.

16691.2. All programs authorized by the Department of Education pursuant to this division, shall, as a minimum, comply with the standards of Chapter 4 (commencing with Section 31001) of Subdivision 4 of Part II of Division 2 of Title 22 of the California Administrative Code (adopted pursuant to Sections 10552, 10553, and 10554 of the Welfare and Institutions Code and pursuant to Sections 1527, 1530, and 1531 of the Health and Safety Code), until such time as Chapter 6 of Division 6 of Title 22 of the California Administrative Code is operative, and at such time shall comply with the standards of such provisions.

16691.3. In order to assess the effectiveness and economy of the various child care delivery models tested through the provisions of this division, each provider agency shall submit to the Superintendent of Public Instruction at least annually, a report, in a form and manner prescribed by the superintendent after consultation with the Secretary of the Health and Welfare Agency. Such reports shall include such statistical data, program description, and fiscal information as the superintendent may require.

16691.4. The superintendent shall submit to the Legislature and the Governor a preliminary report by May 1, 1977, and an annual report thereafter prior to November 1 of each year, on the child care programs implemented for the preceding fiscal year under this division. This report shall include an assessment by the Superintendent of Public Instruction of the degree to which programs implemented pursuant to this division have met the purpose of this division as set forth in subdivisions (a) and (b) of Section 16690. Such report shall also include the superintendent's recommendations for appropriate regulatory and statutory changes.

The report shall include, as a minimum, the following:

(a) Statistical data enumerating and describing children and families served by the programs, including distributions of families and children by income levels, by ethnic groupings, by children's

ages, by marital status of parents, by reasons for receiving child care service (i.e., employment, training, education, protection), by public assistance status, and by family size.

(b) Statistical data enumerating and describing the characteristics of programs, including the types of programs in terms of size and type of facilities utilized, types of agencies operating programs, and the staff-child ratios and the staff composition for each type of program and for each type of operating agency.

(c) Cost data describing the total costs and the average cost per hour of service for each type of program and for each type of operating agency.

(d) Evaluative data describing the quality of child development programs in accordance with measurement criteria as established by the Superintendent of Public Instruction after consultation with the Secretary of the Health and Welfare Agency.

16691.5. The Department of Education shall contract, after consultation with the Secretary of the Health and Welfare Agency, for an independent comparative evaluation of data collected pursuant to Section 16691.4 and similar program reporting requirements of Division 12.5 (commencing with Section 16700). Such evaluation shall include: (1) validation of the data collected to meet reporting requirements for this division and Division 12.5 (commencing with Section 16700); (2) comparison between like models under this division; and (3) comparison of like models funded under this division which contain comparable components with models funded under Division 12.5 (commencing with Section 16700). The preliminary evaluation shall be submitted to the Legislature by January 1, 1978, and the final evaluation shall be submitted to the Legislature by January 1, 1979.

CHAPTER 3. PAYMENT PROCEDURES

16692. Upon the approval of the Department of Education, funds appropriated for the purposes of this division may be used for vendor payment arrangements to allow for maximum parental choice. The specific design of the vendor payment arrangement may be developed at the local level and various methods of reimbursement for parental costs for child care may be employed. All such arrangements must conform to the eligibility criteria and the parent fee schedule established pursuant to Sections 16690.1 and 16690.2.

16692.1. This division shall not be construed as requiring one type of reimbursement structure. Options for reimbursement processes include, but are not limited to: hourly rate reimbursement based on actual child-hours of attendance, unit reimbursement per child, or direct grants for yearly operation. All such processes shall be subject to the maximum reimbursement levels established by Section 16690.4.

16692.2. The Department of Education may authorize a cash advance of up to 10 percent of a child care provider's estimated grant

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to provide initial working capital.

CHAPTER 4. DESCRIPTION OF PROGRAMS

16693. Delivery systems, approved by the Department of Education, and funded pursuant to this division, may include, but are not limited to, individual family day care homes and networks of family day care homes, group, and center child care approaches and networks of such arrangements which provide nonmedical care to the infants and preschool and and school-age children under 18 years of age during a portion of the day. Flexibility may be added to center programs by affiliating with family day care homes, by coordinating efforts with a resource and referral center, or by arranging to provide direct family subsidies to expand the number of care options. Family day care networks may furnish a variety of services to providers and users while children are cared for in family day care homes. Family day care providers may choose to remain independent or to affiliate either with each other, with a service agency, or with a child care center in a satellite relationship.

The Superintendent of Public Instruction shall encourage the establishment of worksite child care centers by private organizations and companies or by incorporated parent groups.

16693.1. Program variations shall include at least one cost-reducing feature or delivery method which may include:

(a) Modification of child-staff ratios for specific age groups;
(b) Modification of child-teacher ratios for specific age groups;
(c) Expanded use of differentiated staffing;
(d) Expanded use of volunteers;
(e) Increased coordination and use of local resources; and
(f) Coordinated use of family day care homes and center facilities.

16693.2. Programs operated pursuant to this division may be designed to meet special needs identified by parents, which may include, but are not limited to: before school and after school care for school age children, expanding to full day care during school holidays and summer vacation; weekend care; night shift care; worksite care; temporary emergency child care; child care for ill children; and programs to allow older children to check in at a family day care home and proceed individually to supervised activities elsewhere.

CHAPTER 5. SUPPORT SERVICES

16694. Upon approval of the Department of Education after consultation with the Secretary of the Health and Welfare Agency, funds appropriated for the purposes of this division may be used for minor capital outlay purchases and facility renovation, by child care organizations and family day care home operators for the purpose of insuring compliance with local health and safety standards as well as state standards prescribed in Section 16691.2. Funds appropriated for this purpose shall be allocated only to public entities, which may, in

turn, enter into agreements with a public agency or with a private foundation, a nonprofit corporation, a proprietary organization or facility, or with a family day care home operator, in order to carry out the provisions of this section. Requests and justification for such grants for capital outlay purchases, and facility renovations must be submitted to the Department of Education for prior approval. Approved expenditures may be on a depreciation basis or a loan basis and shall be processed and accounted for by the public entity which is the recipient of the grant. Approval for expenditure of funds in these ways will be granted only for renovations necessary to meet required local health and safety standards, as well as state standards prescribed in Section 16691.2.

16694.1. Funds appropriated for the purposes of division may be used for resource and referral centers which may be operated by public or private entities. For purposes of this division, resource and referral centers, established in a definite geographic area, may provide, but are not limited to, the following support services and coordinating functions:

(a) Identifying existing child care providers;

(b) Identifying unmet child care needs;

(c) Maintaining an information and referral service for child care users;

(d) Locating and making available to child care providers community resources, including health care, staff development programs, social services, volunteers, and related services;

(e) Centralizing services such as planning, accounting, purchasing, monitoring and evaluation to maximize the effectiveness of available child care funds;

(f) Establishing and maintaining a communications network with appropriate local, state and federal agencies;

(g) Coordinating child care services expansion programs;

(h) Disseminating information about child care resources and issues to the community;

(i) Providing technical assistance to providers and to community organizations as required and requested;

(j) Reimbursing individuals for home-based information service costs; and

(k) Distributing and accounting for funds employed by other public and private agencies to insure compliance with health and safety standards, if the resource and referral center is a public entity's responsibility.

16694.2. The Department of Education may contract with individuals or groups for the provision of resource and referral centers. Qualified individuals may subcontract with a resource and referral center to provide a neighborhood or community child care service, which may include any item in subdivisions (a) through (j) of Section 16694.1.

16694.3. Funds provided for support services pursuant to Sections 16694, 16694.1, and 16694.2, shall not be included in determination of

a program's maximum reimbursement level, as established by Section 16690.4.

16694.4. Notwithstanding the provisions of Section 16691.1, no program funded pursuant to this chapter may include religious worship or instruction, nor may any funds be used for the general support of any private or church-related school system.

CHAPTER 6. APPLICATION PROCEDURES

16695. Funds appropriated for the purposes of this division may be allocated for programs proposed by groups and organizations not currently delivering child care services. Nothing in this division shall preclude existing child care provider agencies from applying for the funds made available under this division, provided that such agencies demonstrate an unmet need and serve additional children through a separately identified program using one or more alternative implementation designs as described in Sections 16693.1 and 16693.2. Individuals or small groups may apply directly to the Department of Education or participate in a subcontract arrangement for the provision of child care services authorized by this division.

16695.1. Programs shall be selected by the Superintendent of Public Instruction from the applications submitted to the Department of Education, after consultation with the Secretary of the Health and Welfare Agency.

16695.2. The Superintendent of Public Instruction shall fund a representative selection of programs within specified urban, suburban, and rural areas on the basis of competitive applications under the provisions of this division. At least one urban, one suburban, and one rural area, as defined by the Superintendent of Public Instruction, shall be designated.

The Department of Education shall require that applications submitted for funding include, but need not be limited to:

(a) A description of the proposed geographic area of service in terms of its category (e.g., rural, urban), its specific boundary limitations (square mileage), and special characteristics (e.g., mountain, desert, inner city, isolation, weather);

(b) A description of available services and facilities within the defined geographical area;

(c) Documentation of unmet need for child care to be provided by the applicant;

(d) A description of the applicant's proposed program, by type and purpose, also including evidence of community support factors, the present availability of resources, and the applicant's administrative capability; and

(e) Such additional information as is determined to be needed by the Superintendent of Public Instruction.

16695.3. Upon receipt of applications by the Department of Education, the data supplied by each applicant shall be used to assign relative funding priority, on the basis of criteria developed by the

Superintendent of Public Instruction after consultation with the Secretary of the Health and Welfare Agency. Such criteria may include, but are not limited to:

(a) Unit cost, according to the type and scope of the proposed program;

(b) Use of cost-reducing features described in Section 16693.1;

(c) Quality and validity of needs data;

(d) Extent of unmet need;

(e) Proposed impact on unmet need;

(f) Number of families to be served who are eligible for subsidy pursuant to this division;

(g) Uniqueness of delivery system;

(h) Administrative capability;

(i) Community support factors; and

(j) Degree of parental choice.

16695.4. The Superintendent of Public Instruction shall seek to fund a variety of applicants so that groups from various sectors, such as public agencies, private agencies, business-sponsored groups, community-based groups, and educational institutions are represented.

16695.5. The Superintendent of Public Instruction shall include within the annual budget of the Department of Education an amount sufficient to fund programs established pursuant to this division.

CHAPTER 7. GOVERNOR'S ADVISORY COMMITTEE

16696. The advisory committee established pursuant to Section 16735 shall also perform the following functions with regard to this division:

(a) Review the development of all child care programs, and gather public input as to the appropriateness and effectiveness of program implementation;

(b) Serve in an advisory capacity to the Superintendent of Public Instruction and the Governor for program policy decisions;

(c) Review the needs data gathered and suggest priority areas for future service expansion;

(d) Assist the Department of Education in developing and reviewing alternative child care delivery systems; and

(e) Make recommendations to the Governor, the Department of Education, and other agencies with regard to program development and expansion.

CHAPTER 8. APPROPRIATION

16697. There is hereby appropriated from the General Fund to the Department of Education the sum of ten million dollars ($10,000,000) for expenditure in fiscal year 1976–77, as follows:

(a) Direct program services		$8,225,000
Schedule:		
(1) Family day care homes and networks	$3,000,000	
(2) Center-based group care and innovative programs	$2,225,000	
(3) Vendor payments, to maximize parental choice	$3,000,000	
(b) Support services		$1,400,000
Schedule:		
(1) Resource and referral centers	$900,000	
(2) Minor capital outlay	500,000	
(c) Program administration		$375,000
Schedule:		
(1) For support of the Governor's Advisory Committee on Child Development	$25,000	
(2) For support of the Department of Education for the purposes of program administration and reporting on the effect of programs funded pursuant to this act in meeting the purposes of subdivisions (a) and (b) of Section 16690	$250,000	
(3) For support of the independent comparative evaluation conducted pursuant to Section 16691.5	$100,000	

Funds appropriated in any of the categories scheduled above may be transferred among such categories upon the written approval of the Director of Finance.

SEC. 2. Section 16735 of the Education Code is amended to read:

16735. The Governor shall appoint an advisory committee composed of one representative from the Department of Employment Development, one representative from the State Board of Education, one representative from the State Benefit Payments Board, one representative of the Director of Education, one representative of the Director of Benefit Payments, one representative of the Director of Health, and one representative of private education, one representative of child welfare, one representative of private health care, one representative of a proprietary child care agency, one representative of a community action agency qualified under Title II of the Economic Opportunity Act of 1969, and five parents of children participating in child care programs of whom at least three shall be parents of children participating in programs authorized by Division 12.5 (commencing with Section 16700), appointed from names selected by a democratic process to assure representation of the parents of children being

served, four persons representing professional or civic groups or public or nonprofit private agencies, organizations or groups concerned with child development programs, one representative from the State Advisory Health Council, and one representative from the Department of Rehabilitation. The representative from the State Advisory Health Council and the Department of Rehabilitation shall serve as ex officio members.

The advisory committee shall assist the Department of Education in developing a state plan for child development programs pursuant to this division.

The advisory committee shall continually evaluate the effectiveness of such programs and shall report thereon at each regular session of the Legislature.

A "proprietary child care agency" is an organization or facility providing child care, which is operated for profit.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to implement the timely provision of child care services to children and their families as soon after July 1, 1976, as possible, it is necessary that this act take effect immediately.

CHAPTER 345

An act to amend Section 739 of the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1976. Filed with Secretary of State July 7, 1976.]

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

SECTION 1. Section 739 of the Public Utilities Code is amended to read:

739. (a) The commission shall designate a lifeline volume of gas and a lifeline quantity of electricity which is necessary to supply the minimum energy needs of the average residential user for the following end uses: space and water heating, lighting, cooking and food refrigerating, provided that in estimating such volumes and quantities the commission shall take into account differentials in energy needs between utility customers whose residential energy needs are supplied by electricity and gas. The commission shall also take into account differentials in energy needs caused by geographic differences by differences in severity of climate, and by season. Where there is a master meter and the end use is residential, there shall be a lifeline volume and quantity available and apportioned to each residential unit.

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(b) The commission shall require that every electrical and gas corporation file a schedule of rates and charges providing a lifeline rate. The lifeline rate shall be not greater than the rates in effect on January 1, 1976. The commission shall authorize no increase in the lifeline rate until the average system rate in cents per killowatt-hour or cents per therm increased 25 percent or more over the January 1, 1976, level.

(c) Nothing shall preclude the commission from reducing any rate established pursuant to subdivision (a) either specifically or pursuant to any general restructuring of all electrical or gas rates, charges, and classifications.

(d) As used in this section, the term "residential" means domestic human needs end use and excludes industrial, commercial, and every other category of end use other than wholesale.

(e) Wholesale electrical or gas purchases and the rates charged therefor shall be exempted from the provisions of this section.

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

In order to include specifically residential units, such as mobilehome parks, which are on master meters within the provisions of Chapter 1010, Statutes of 1975, as soon as possible and prevent any inequity in the application of lifeline rates, it is essential that this act take effect immediately.

CHAPTER 346

An act to amend Section 6880.16 of the Education Code, relating to development centers for handicapped pupils, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1976. Filed with Secretary of State July 7, 1976.]

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

SECTION 1. Section 6880.16 of the Education Code is amended to read:

6880.16. Pursuant to Sections 20501 to 21001, inclusive, the governing board of any school district or county superintendent of schools maintaining a center may include in its budget the amount necessary to carry out its program pursuant to this chapter and the board of supervisors shall levy a school district tax or county tax necessary to raise such amount. The tax shall be in addition to any other school district tax or county tax authorized by law to be levied.

Funds derived from such tax may be expended in addition to state

funds, and shall not operate to affect the operation of the formula for apportioning state funds provided for in Section 6880.14.

Any tax funds raised pursuant to this section may be used to purchase land or buildings, to make alterations or additions to existing buildings, and to purchase furniture, apparatus or equipment for a center.

A county superintendent may, in conjunction with any development center for handicapped pupils established pursuant to this article, use any tax funds raised pursuant to this section to conduct research projects relating to children eligible for enrollment in development centers for handicapped pupils, and may also use such funds to lease, purchase, or construct facilities to house such research projects.

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

In order to permit the establishment of a research project which will provide for a development center for handicapped pupils in an area in which no such facilities exist, and to prevent the pupils who will be served from being harmed by the absence of such facilities, it is essential that this act take effect immediately.

CHAPTER 347

An act relating to water pollution control facilities, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 8, 1976. Filed with Secretary of State July 8, 1976]

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

SECTION 1. The provisions of Sections 13416 and 13417 of the Water Code shall not apply to any loan to the Humboldt Bay Waste Water Authority pursuant to the provisions of Chapter 6 (commencing with Section 13400) of Division 7 of the Water Code.

SEC. 2. Any loan made to the Humboldt Bay Waste Water Authority utilizing the provisions of this act shall provide for repayment by a date as determined by the State Water Resources Control Board, but no later than September 1, 1977, with interest, from moneys raised by the authority from the sale of bonds. If the authority, for any reason, fails to sell bonds in such amounts at least adequate to repay the state loan plus interest, the authority shall determine the amount necessary to repay the state loan plus interest to the date of repayment. The authority may apportion the total amount to its member agencies in accordance with the method of allocation of administrative expenses as provided in the joint powers

agreement which created the authority. The authority is responsible for the repayment of the loan to the board.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit the construction of urgently needed waste water facilities by the Humboldt Bay Waste Water Authority at the earliest possible time and to thereby protect the public health, safety, and welfare, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 348

An act to amend Sections 11450, 11452, 11453, and 12201 of, and to add Sections 12205, 12205.1, and 12205.2 to, the Welfare and Institutions Code, relating to public social services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 8, 1976.]

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

SECTION 1. Section 11450 of the Welfare and Institutions Code is amended to read:

11450. (a) For each needy family which includes one or more needy children qualified for aid under this chapter, except as provided in Section 11403, there shall be paid, notwithstanding minimum basic standards of adequate care established by the department under Section 11452, an amount of aid each month which when added to his income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (d) of this section or Section 11453.1, is equal to the sums specified in the following table, as adjusted for cost-of-living increases or decreases pursuant to Section 11453:

Number of eligible needy persons in the same home	Maximum aid
1	$166
2	273
3	338
4	402
5	459
6	516

7	566
8	616
9	666
10 or more	716

If, when and during such times as the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to such increase or decrease by the United States government, provided that no such increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(b) For children receiving foster care who are qualified for aid under the provisions of this chapter, except as provided in Section 11403, there shall be paid the sum necessary for the adequate care of each child, but not to exceed in any month the product of one hundred twenty dollars ($120) multiplied by the number of children in each county receiving foster care. The state shall pay 67.5 percent and the county shall pay 32.5 percent of the aid furnished for the adequate care of such children.

(c) As used in this chapter, "foster care" means care in a boarding home or institution.

(d) (1) In addition to the amounts payable under subdivision (a) of this section and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. The county shall pay the full cost of the additional aid furnished needy families pursuant to this subdivision after first deducting therefrom any funds received from the federal government. Such recurring special needs shall include but not be limited to special diets upon the recommendation of a physician, and unusual costs of transportation, laundry, housekeeping service, telephone, and utilities not to exceed the minimum basic standards of adequate care.

(2) A family shall also be entitled to receive an allowance, at county expense after first deducting therefrom any funds received from the federal government, for nonrecurring special needs caused by sudden and unusual circumstances beyond the control of the needy family; provided, however, that such needs shall not be taken into consideration in determining the eligibility of the family for aid.

(3) The department shall establish rules and regulations assuring the uniform application statewide of the provisions of this subdivision.

(e) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a) of this section.

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

SEC. 2. Section 11452 of the Welfare and Institutions Code is amended to read:

11452. Minimum basic standards of adequate care shall be distributed to the counties and shall be binding upon them. Such standards are hereby determined on the basis of the schedule set forth in this section, as adjusted for cost-of-living increases or decreases pursuant to Section 11453, which schedule is designed to insure:

(1) Safe, healthful housing.

(2) Minimum clothing for health and decency.

(3) Low-cost adequate food budget meeting recommended dietary allowances of the National Research Council.

(4) Utilities.

(5) Other items including household operation, education and incidentals, recreation, personal needs, and insurance.

(6) Allowance for essential medical, dental, or other remedial care to the extent not otherwise provided at public expense.

(7) Other recurring special needs.

The schedule of minimum basic standards of adequate care is as follows:

Number of needy persons in the same family	Minimum basic standards of adequate care
1	$168
2	282
3	343
4	422
5	487
6	549
7	604
8	667
9	730
10	794

plus five dollars ($5) for each additional needy person.

The department shall establish rules and regulations assuring the uniform application statewide of the provisions of this section.

SEC. 3. Section 11453 of the Welfare and Institutions Code is amended to read:

11453. The amounts set forth in Section 11452 and subdivision (a) of Section 11450 shall be adjusted annually by the department to reflect any increases or decreases in the cost of living occurring after December 31, 1975, so that the first such adjustment becomes effective July 1, 1977. The average of the separate indices of the cost of living for Los Angeles and San Francisco, as published by the United States Bureau of Labor Statistics, shall be used as the basis for determining the changes in the cost of living.

In giving effect to the cost-of-living provisions of this section, the department shall select a comparison month for computation of the

percentage change in the cost of living after December 31, 1975. The same month shall be used annually thereafter. The determination of whether an adjustment is to be made, and the amount of such adjustment, shall be made by comparing the average index for the comparison month with the average index for December 1975. The product of any percentage increase or decrease in the average index and the amounts to which each needy family is entitled shall be adjusted by the dollar amount of any cost-of-living change currently in effect pursuant to the provisions of this section. If the resultant amount, when adjusted to the nearer dollar, is one dollar ($1) or more, it shall be added to or subtracted from the schedule set forth in subdivision (a) of Section 11450 and the schedule set forth in Section 11452. The resultant schedules shall be filed with the Secretary of State.

SEC. 4. Section 12201 of the Welfare and Institutions Code is amended to read:

12201. The payment schedules to go into effect July 1 of each year, beginning with the payment to be made July 1, 1976, shall represent the sum of two components. The first, the initial payment schedule, shall be the amounts set forth in Section 12200 under the law in effect and as paid on January 1, 1974. These are:

(a) For a blind applicant or recipient, the sum of two hundred sixty-five dollars ($265) per month and for a married couple both qualifying for benefits under this chapter as blind, the sum of five hundred thirty dollars ($530) per month.

(b) For a married couple, both qualifying for benefits under this chapter, and one of whom is blind, the sum of five hundred dollars ($500) per month.

(c) For an aged or disabled applicant or recipient, the sum of two hundred thirty-five dollars ($235) per month.

(d) For a married couple both qualifying for benefits under this chapter as aged or disabled, the sum of four hundred forty dollars ($440) per month.

(e) For an aged or disabled applicant or recipient under subdivision (c) or for a married couple under subdivision (d) whose living arrangement prevents preparation of his or their meals at home shall be entitled to an allowance of twenty-five dollars ($25) per month for an individual and fifty dollars ($50) per month for a married couple in addition to any other amount to which he is entitled under this chapter.

(f) For a disabled minor under 18 living with a parent or guardian or relative by blood or marriage, an amount equal to the state-adjusted payment level determined pursuant to Section 401 of Title IV of the Social Security Act Amendments of 1972, per month; this amount, as paid on January 1, 1974, was two hundred thirteen dollars ($213).

(g) For a recipient in a nonmedical out-of-home care facility, the sum established pursuant to Section 13922 per month; this amount, as paid on January 1, 1974, was two hundred eighty-three dollars ($283).

(h) For the personal and incidental needs of a person receiving care in a medical facility under the Medi-Cal Act, the sum of twenty-five dollars ($25) per month.

(i) In the case of any individual or couple whose federal benefit received under Part A of Title XVI of the Social Security Act is reduced in accordance with Section 1612(a)(2)(A) of Public Law 92-603 because the individual or couple lives in another person's household and receives support and maintenance in kind from such person, the appropriate grant level set forth in subdivision (a), (b), (c), or (d) of this section shall be reduced by the amount of the reduction in the federal benefit, subject to the provisions in Section 12204.

The second component, the cost-of-living adjustment to be added to the initial payment schedule, shall reflect any increases or decreases in the cost of living occurring after July 1, 1973. The cost-of-living adjustment shall be based on changes in the average of the separate Consumer Price Indices (all items) for Los Angeles-Long Beach and San Francisco-Oakland as published by the U.S. Bureau of Labor Statistics. The payment to be made July 1, 1976, shall be based upon the change in the average indices to December 1975. The same comparison month, December, shall be used annually thereafter. The cost-of-living adjustment for individuals under this section shall be computed by applying the percentage increase or decrease in the average index, from the base month to the comparison month, to the following base amounts and the products rounded to the nearest dollar:

(1) One hundred sixty-nine dollars ($169) for an individual under subdivision (a).

(2) One hundred forty-four dollars ($144) for an individual under subdivision (c).

(3) Twenty-five dollars ($25) for an individual under subdivision (e).

(4) Forty-six dollars ($46) for an individual under subdivision (f).

(5) One hundred forty dollars ($140) for an individual under subdivision (g).

The adjustments for couples shall be found by adding the adjustments for each member of the couple. The cost-of-living adjustments, for both individuals and couples, shall then be added to the corresponding initial payment schedules as set forth in subdivisions (a), (b), (c), (d), (e), (f) and (g) of this section. The resultant sums shall constitute the new schedules for the categories given under subdivisions (a), (b), (c), (d), (e), (f), and (g) of Section 12200, and shall be filed with the Secretary of State. The amount as set forth in (h) of Section 12200 shall be adjusted annually pursuant to this section in the event that the secretary agrees to administer payment under that subdivision. The payment schedule for subdivision (i) of Section 12200 shall be computed as specified, based on the new payment schedules for subdivisions (a), (b), (c),

and (d) of Section 12200.

SEC. 5. Section 12205 is added to the Welfare and Institutions Code, to read:

12205. If, when and during such times as the federal benefits under Part A of Title XVI of the Social Security Act are increased by reason of Section 1617 of the Social Security Act (or are increased for reasons other than cost of living and such increases are accompanied by an increase in federal benefits under Title II of the Social Security Act) above the one hundred sixty-eight dollars ($168) per month level for an eligible individual and the two hundred fifty-two dollars ($252) per month level for an eligible individual and eligible spouse, the amount of the payment schedules as set forth in Section 12200, excluding subdivision (h), shall be increased by the amounts by which federal benefits exceed the one hundred sixty-eight dollars ($168) and the two hundred fifty-two dollars ($252) levels, rounded to the nearest dollar.

Increases in federal benefits under Part A of Title XVI for reasons other than cost of living which are not accompanied by an increase in federal benefits under Title II of the Social Security Act shall be added to the payment schedules as set forth in Section 12200, excluding subdivision (h), in accordance with the following method: The amount of the increase in the federal monthly benefit level shall be multiplied by the number of recipients who will benefit therefrom and the resultant amount divided by the total number of recipients eligible for assistance under the provisions of this chapter at the time the increases are to go into effect, and the quotient rounded to the nearest dollar. This amount shall determine the increase in the aforementioned payment schedules.

Subsequent to the first increase pursuant to this section, each additional increase in the Title XVI federal benefit levels added to the payment schedules of Section 12200, excepting subdivision (h), shall be based on the difference between the federal benefit levels immediately applicable prior to an increase thereto and the federal benefit levels immediately applicable thereafter.

The director shall notify the Secretary of the United States Department of Health, Education and Welfare of the amount of the increases to be added pursuant to this section to the payment schedules in Section 12200, no later than 15 working days following the date on which the director is notified by the secretary in writing of the amounts of the increases to federal benefits.

Increases to the payment schedule provided by this section shall be subject to the provisions of Section 12205.2.

SEC. 5.5. Section 12205.1 is added to the Welfare and Institutions Code, to read:

12205.1. If, when and during such times as the federal benefits under Part A of Title XVI of the Social Security Act are increased, on and after July 1, 1977, such increases shall be added to the payment schedules as set forth in Section 12200, excluding subdivision (h), in accordance with the following method: The

amount of the increase in the federal monthly benefit level shall be multiplied by the number of recipients who will benefit therefrom and the resultant amount divided by the total number of recipients eligible for assistance under the provisions of this chapter at the time the increases are to go into effect, and the quotient rounded to the nearest dollar. This amount shall determine the increase in the payment schedules as set forth in Section 12200, excluding subdivision (h).

Increases to the payment schedules set forth in Section 12200 that are added pursuant to this section shall go into effect simultaneously with the effective date of the increases in federal benefits under Part A of Title XVI of the Social Security Act, and payments shall commence effective July 1, 1977.

Subsequent to the first increase pursuant to this section, each additional increase in the Title XVI federal benefit levels added to the payment schedules of Section 12200, excepting subdivision (h), shall be based on the difference between the federal benefit levels immediately applicable thereafter. The director shall notify the Secretary of the United States Department of Health, Education and Welfare of the amount of the increases to be added pursuant to this section to the payment schedules in Section 12200, no later than 15 working days following the date on which the director is notified by the secretary in writing of the amounts of the increases to federal benefits.

The increases to the payment schedules provided by this section shall be subject to the provisions of Section 12205.2.

SEC. 5.6. Section 12205.2 is added to the Welfare and Institutions Code, to read:

12205.2. Section 12205 shall be used to calculate increases in grants under Section 12200, excluding subdivision (h) during such times as recipients under this chapter are not eligible for federal food stamp benefits and only for an increase in federal benefit under Part A of Title XVI of the Social Security Act occurring subsequent to and during such times as recipients under this chapter are not eligible for federal food stamp benefits. Any increase pursuant to Section 12205 shall be in addition to any increase provided under Section 12205.1 or any other provision of law.

Section 12205.1 shall be used to calculate increases in grants under Section 12200, excluding subdivision (h) during such times as recipients under this chapter are eligible for federal food stamp benefits and only for an increase in federal benefits under Part A of Title XVI of the Social Security Act occurring subsequent to and during such times as recipients under this chapter are eligible for federal food stamp benefits. Any increase pursuant to Section 12205.1 shall be in addition to any increase provided under Section 12205 or any other provision of law.

In no event shall any one increase in federal benefits under Part A of Title XVI of the Social Security Act be subject to required grant increases pursuant to both Sections 12205 and 12205.1. Any increases

in the payment schedules under Section 12200, excluding subdivision (h), as a result of the operation of Sections 12205 or 12205.1, shall become effective simultaneously with the effective date of the increases in federal benefits under Part A of Title XVI of the Social Security Act.

SEC. 6. Section 4 of this act shall apply to payments under Chapter 3 (commencing with Section 12200) of Part 3 of Division 9 of the Welfare and Institutions Code made on and after July 1, 1976.

SEC. 6.4. Effective July 1, 1976 the payment schedules set forth in Section 12200, excluding subdivision (h), shall be increased by three dollars ($3) per recipient. The increase in the payment schedules provided by this section shall be in addition to any increases provided pursuant to any other provision of law.

SEC. 7. Sections 1, 2, 3, 8 and 9 of this act shall become operative on January 1, 1977.

SEC. 8. The sum of eight million five hundred thousand dollars ($8,500,000) is hereby appropriated from the General Fund to the State Controller for transfer to the State Department of Benefit Payments for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to Section 1 of this act.

SEC. 9. No appropriation is made by this act, nor is any obligation created thereby under Revenue and Taxation Code Section 2231, for the reimbursement of any local agency for any costs incurred pursuant to Section 11453 of the Welfare and Institutions Code for fiscal year 1977–78 or any subsequent fiscal year.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to pass on increases in federal funds to benefit recipients at the earliest possible time and also to clarify the understanding of existing law, it is necessary that this act go into immediate effect.

CHAPTER 349

An act to amend Sections 10705, 23583.22, and 23805 of the Education Code, to amend Section 6712 of, and to add Sections 6417, 6418, and 6419 to, the Financial Code, to amend Section 4481 of the Food and Agricultural Code, to amend Sections 16428, 16475, 16480.1, 16480.2, 16480.3, 16480.7, 17202, 17203, 53630, 53635, 53637, 53638, 53648, 53659, 53676, 53678, 53679, 61736, 61737.02, 61737.09, and 68084 of, and to add Chapter 4.5 (commencing with Section 16600) to Part 2 of Division 4 of Title 2 of, the Government Code, to amend Section 6801 of the Health and Safety Code, to amend Sections 207, 25050 and 27185 of the Streets and Highways Code, and to amend Sections 1531, 1533, 1557, and 1560 of the Unemployment Insurance Code, relating

to the deposit of public funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 10705 of the Education Code is amended to read:

10705. In schools or classes for adults, regional occupational centers or programs, or in elementary schools in which the student body is not organized, the governing board may appoint an employee or official to act as trustee for student body funds and to receive said funds in accordance with procedures established by the board. These funds shall be deposited in a bank or a savings and loan association, or both, approved by the board and shall be expended subject to the approval of said appointed employee or official and also subject to such procedure as may be established by the board.

SEC. 2. Section 23583.22 of the Education Code is amended to read:

23583.22. Notwithstanding any other provision of law, all bonds sold and delivered pursuant to this chapter are legal investments for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, trust companies, the state school funds, and any public or private funds which may be invested in county, municipal, or school district bonds, and may be deposited as security for the performance of any act whenever the bonds of any county, municipality, or school district may be so deposited, and may also be used as security for the deposit of public moneys in banks and savings and loan associations in this state.

SEC. 3. Section 23805 of the Education Code is amended to read:

23805. Upon the favorable vote of two-thirds of the students voting in an election held for the purpose at a state college, in such manner as the trustees shall prescribe, and open to all regular students enrolled in the college, the trustees are authorized to fix, in addition to any other student fee the trustees are authorized to fix, a building and operating fee not to exceed twenty dollars ($20) per student per academic year which shall be required of all students attending the college. All unexpended funds and money collected by any state college under this section shall be available for financing, operating and constructing a student body center, and until so used, shall, subject to the approval of the trustees, be deposited or invested in trust by the chief fiscal officer of that college in any one or more of the following ways:

(a) Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the State Colleges Trust Fund or in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations; provided such associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the State Treasurer in those securities.

(d) Participation in funds which are exempt from federal income tax pursuant to Section 501 (c) (3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.

The chief fiscal officer of each college shall be custodian of those moneys and provide the necessary accounting records and controls thereof.

The state college shall be reimbursed from these funds in an amount to cover the cost of the custodial and accounting services provided by the college in connection with these funds.

These funds may be expended by the custodian only upon the submission of an appropriate claim schedule by an elected representative of the student body or his appointee.

SEC. 4. Section 6712 of the Financial Code is amended to read:

6712. Except as provided in Sections 6419, 6718, and 6719 no association shall sell, exchange, transfer, pledge, hypothecate, or otherwise dispose of or encumber any notes or other obligations held by it, evidencing any loan made or purchased by it, or the mortgages, trust deeds or other security therefor, without the approval of the commissioner.

SEC. 5. Section 6417 is added to the Financial Code, to read:

6417. No association shall have on deposit at any one time moneys of the State of California, of the cities, counties, and other political subdivisions of the state, and of the public corporations and districts of the state, which, in the aggregate, exceed in amount 400 percent of its net worth. The amount of such moneys on deposit secured by surety bonds shall not at any time, in the aggregate, exceed 100 percent of the association's net worth.

SEC. 6. Section 6418 is added to the Financial Code, to read:

6418. (a) An association may act as a depositary or fiscal agent for the holding or handling of public funds notwithstanding the fact that a member of the legislative body or an officer or employee of the depositor is an officer, employee, or stockholder of such association, or of a savings and loan holding company as defined in Section 11500 or wholly owned service corporation of such association. Such member of a legislative body, or such officer or employee thereof, shall not be deemed "interested in any contract" as that phrase is used in Section 1090 of the Government Code, if his sole interest is the fact that he is an officer, employee, or stockholder of the association selected to act as such depositary, paying agent or fiscal

agent or of its savings and loan holding company or wholly owned service corporation.

(b) An officer or employee of a local public agency shall be deemed to have only a "remote interest" in a contract, as that term is used in Section 1091 of the Government Code, where such contract is entered into without competitive bidding under a procedure established by law, if his sole interest is that of an officer, director, or employee, of an association or savings and loan association holding company as defined in Section 11500 or wholly owned service corporation of such association with which a party to the contract has the relationship of borrower or depositor, debtor or loan association holding company, or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor, and if the conditions of subdivision (a) of Section 1091 of the Government Code are met.

SEC. 7. Section 6419 is added to the Financial Code, to read:

6419. An association may hypothecate, exchange, transfer, or pledge its assets in any manner provided by law to secure the deposits of moneys of the United States, postal savings funds, bankrupt estates, the State of California, or of any political subdivision, public corporation, or district of the State of California, or of any local agency as defined in Government Code Section 53630.

SEC. 7.5. Section 4481 of the Food and Agricultural Code is amended to read:

4481. The county or district agricultural association shall deposit in a bank account or a deposit in a savings and loan association that is approved by the Director of Finance in accordance with Sections 16506 and 16605 of the Government Code any state money which is apportioned to it for the encouragement of the fair which it conducts.

The money which is so deposited may be expended for any of the following:

(a) Premiums.

(b) Capital outlay, including purchase of land, construction improvements, and equipment.

(c) Acquisition, installation, maintenance, and operation of recreational and cultural facilities at fairgrounds of the county or district agricultural association.

(d) Support of county or district agricultural association fairs.

SEC. 8. Section 16428 of the Government Code is amended to read:

16428. Money in the fund may be invested and reinvested in any securities described in Section 16430 or deposited in banks as provided in Chapter 4 (commencing with Section 16500) of this part or deposited in savings and loan associations as provided in Chapter 4.5 (commencing with Section 16600) of this part. The department shall determine the amount of money available for investment or deposit and shall so arrange the investment or deposit program that funds will be available for the immediate payment of any court order

or decree. The Treasurer shall invest or make deposits in accordance with these determinations.

All revenues earned from investment or deposit of fund moneys shall be deposited in the fund. After first deducting therefrom the amount payable to the Treasurer for investment services rendered and the amount payable to the department for administrative services rendered, the department shall apportion as of June 30 and December 31 of each year the remainder of such revenues earned and deposited in the fund during the six calendar months ending with such dates. There shall be apportioned and credited to each litigation deposit in the fund during such six-month period, an amount directly proportionate to the total deposits in the fund and the length of time such deposits remained therein. The amounts so apportioned shall be paid to the party receiving the deposit when ordered by the court. The cost of administrative services rendered shall be determined by the department in a manner approved by the Department of Finance. The amounts payable to the department and to the Treasurer shall be transferred to the General Fund and accounted as reimbursements to their respective appropriations.

SEC. 9. Section 16475 of the Government Code is amended to read:

16475. As of December 31 and June 30 all interest earned and other increment derived from investments made pursuant to this article shall, on order of the State Controller, be deposited in the Surplus Money Investment Fund. The State Controller, after deducting expenses incurred under this article by the State Treasurer in investing in securities or time bank or savings and loan association deposits and in collecting bonds and bond coupons, shall apportion as of December 31st and June 30th of each year to the following funds in the State Treasury all interest earned or increment derived from the investments authorized by this article for the six calendar months ending with such dates:

(a) The General Fund;

(b) Each fund into which are deposited or which contains moneys collected from any tax now or hereafter imposed by the state upon the manufacture, sale, distribution, or use of motor vehicle fuel, for use in motor vehicles upon the public streets and highways;

(c) Each fund into which are deposited or which contains moneys collected from motor vehicle and other vehicle registration license fees or from any other tax or license fee now or hereafter imposed by the state upon vehicles, motor vehicles or the operation thereof, except those taxes and license fees which, by the provisions of Section 4 of Article XXVI of the Constitution of this state are exempted from the provisions of Section 2 of said Article XXVI;

(d) Each fund into which are deposited or which contains moneys collected under the provisions of any law of this state relating to the protection, conservation, propagation, or preservation of fish, game, mollusks, or crustaceans, and fines imposed by any court for the violation of any such law;

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(e) Each fund into which are deposited or which contains moneys available for construction, repair, replacement, maintenance or operation of public works of the state, including, but not limited to, the facilities of the State Water Resources Development System, as defined in Section 12931 of the Water Code, toll facilities financed, built, or acquired pursuant to the California Toll Bridge Authority Act, or moneys available for the payment of principal or interest on bonds issued to provide for the construction of such facilities;

(f) Every other fund in respect to which the Board of Control on the advice of the Attorney General determines that the operation of the State or Federal Constitution prohibits the expenditure of interest received under this article and allocated on the basis of amounts in such fund for General Fund purposes.

(g) Each fund not included within subdivisions (a) to (f), inclusive, of this section.

Such apportionments shall be made by the State Controller in the following manner:

(1) All money not apportioned to the funds referred to in (b), (c), (d), (e), (f), and (g) herein shall be apportioned to the General Fund.

(2) There shall be apportioned to each of the funds referred to in (b), (c), (d), (e), (f), and (g) herein an amount directly proportionate to the respective amounts transferred from such funds to the Surplus Money Investment Fund and the length of time such amounts remained therein.

SEC. 10. Section 16480.1 of the Government Code is amended to read:

16480.1. There is hereby created a Pooled Money Investment Board, which shall consist of the Controller, Treasurer and Director of Finance. The Pooled Money Investment Board shall meet at least once in every three months and shall designate at least once a month the amount of money available under this article for investment in securities authorized by Article 1 of this chapter, or in deposits in banks and savings and loan associations, or in loans to the General Fund and the type of investment or deposit.

The Pooled Money Investment Board may increase the amount of surplus money normally available for time deposits with the express purpose of placing this money in banks that are members of a California job development corporation and who have made loans to such a corporation or to corporation-approved borrowers.

For the purpose of this article, a written determination signed by a majority of the members of the Pooled Money Investment Board shall be deemed to be the determination of the board. Notwithstanding the provisions of Sections 7.5 and 7.6 of this code, the members of the board shall personally make the determinations under this article, and may not authorize a deputy to act for them.

SEC. 11. Section 16480.2 of the Government Code is amended to read:

16480.2. It is the intent of this article that money available for

investment or deposit be invested in securities or deposited in banks and savings and loan associations in such a way as to realize the maximum return consistent with safe and prudent treasury management.

SEC. 12. Section 16480.3 of the Government Code is amended to read:

16480.3. Immediately after designations described in Section 16480.1, the Treasurer shall invest or make deposits in banks and savings and loan associations in accordance with the designations.

SEC. 13. Section 16480.7 of the Government Code is amended to read:

16480.7. Not later than 30 days after the close of each month there shall be placed on file for public inspection during business hours at the offices of the Controller, Treasurer and Director of Finance:

(a) A report by the Treasurer with respect to investments made under this article and deposits in banks and savings and loan associations showing transactions during such month and any related information the board deems should be included; and

(b) A copy of each designation made by the board under this article.

SEC. 14. Chapter 4.5 (commencing with Section 16600) is added to Part 2 of Division 4 of Title 2 of the Government Code, to read:

CHAPTER 4.5. SAVINGS AND LOAN ASSOCIATION DEPOSITS

Article 1. General

16600. As used in this chapter, "eligible savings and loan association" means a state or federal savings and loan association insured by the Federal Savings and Loan Insurance Corporation, located in this state, and selected by the Treasurer for the safekeeping of money belonging to or in the custody of the state. Such a savings and loan association is eligible to receive deposits only to the extent it furnishes the security required by this chapter.

16601. Notwithstanding the provisions of Section 16502, all other money in the State Treasury or under the control of the Treasurer belonging to or in the custody of the state, shall, so far as possible, be deposited by the Treasurer to the credit of the state in eligible banks as defined in Section 16500 and eligible savings and loan associations. Any sum in the State Treasury so deposited is deemed to be in the State Treasury. Any other amount so deposited is deemed to be held in trust by the Treasurer.

16602. Subject to the limitations of Article 4.5 of Chapter 3 of this part, the Treasurer shall determine what amounts of money shall be deposited as deposits in savings and loan associations, and the rates of interest to be received.

16603. Subject to the applicable contract, the Treasurer may call in money from deposits in savings and loan associations and place it in demand deposits in banks when necessary to meet current requirements.

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16604. Deposits in any savings and loan association shall not exceed the total of its net worth.

16605. Notwithstanding the provisions of Section 16506, all money belonging to or in the custody of the state under the control of any state officer or employee, other than the Treasurer, except petty cash funds authorized by the Department of Finance, shall be deposited in such state or national banks in this state and such state and federal savings and loan associations in this state and under such conditions as the Director of Finance prescribes. Savings and loan associations receiving such deposits shall be required to deposit with the Treasurer the same security as is required by this chapter for deposits made by the Treasurer.

Savings and loan associations receiving deposits of money from a county advanced or apportioned to it pursuant to Section 4481 of the Food and Agricultural Code shall be required to secure such deposits in accordance with Article 2 (commencing with Section 53630) of Chapter 4, Part 1, Division 2 of Title 5.

16606. A state officer is not liable on his official bond for losses caused by the failure of a savings and loan association in which a deposit of money belonging to an inmate of a state institution, if the officer was required or permitted by law to act as a trustee or fiduciary with respect to the money and if he made the deposit in good faith and in accordance with law.

16607. The Treasurer is not responsible for any money deposited in a savings and loan association pursuant to this chapter, and while it remains so deposited.

16608. The Treasurer is responsible for the safekeeping, management and disbursement of the certificates of deposit received and the securities deposited with him, the interest received on deposits, and the proceeds of any sale under this chapter. The state is responsible for the custody and safe return of any securities so deposited.

16609. Any state officer or employee who deposits any money belonging to or in the custody of the state in any manner other than as prescribed in this chapter or Chapter 4 (commencing with Section 16500) is subject to forfeiture of his office or employment.

Article 2. Security for Deposits

16610. Security shall not be required for that portion of any deposit that is insured under any law of the United States.

16611. To be eligible to receive and retain deposits, a savings and loan association shall deposit with the Treasurer as security for such deposits, securities specified in Section 16612, and approved by the Treasurer, in an amount in value at least 10 percent in excess of the amount deposited with the savings and loan association.

16612. The following securities may be received as security for deposits:

(a) Bonds, notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949 (42 USC Sec. 1452 et seq.)) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any county, city, town, metropolitan water district, municipal utility district, municipal water district, bridge and highway district, flood control district, school district, water district, water conservation district or irrigation district within this state, and, in addition, revenue on tax anticipation notes, and revenue bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by this state, or such local agency or district, or by a department, board, agency, or authority thereof.

(d) Registered warrants of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the Federal Home Loan Bank established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act as amended, in the bonds of any federal home loan bank established under said act, and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended.

(f) Bond and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 41700) of Part 3 of Division 31 of the Health and Safety Code.

16613. If it appears to him necessary for the security of the state, the Treasurer shall require as a condition of eligibility that a savings and loan association furnish an indemnity bond approved by the Treasurer, conditioned against loss by any depreciation in value that may occur in securities deposited as security for the safekeeping and prompt payment of deposits. The sureties shall not be stockholders of the principal.

16614. In lieu of deposits of securities, any otherwise eligible savings and loan association may deposit with the Treasurer bonds of admitted surety insurers as security for demand deposits.

16615. An admitted surety insurer is not eligible as surety for deposits in any one savings and loan association in amounts in excess of 10 percent of the capital and surplus of the surety as shown in the

preceding report issued by the United States Treasury Department.

16616. On demand of the Treasurer, the Insurance Commissioner shall issue a certificate showing the qualifications of any admitted surety insurer as surety for deposits.

16617. The bond of an admitted surety insurer shall not be accepted as security for deposits unless it has been certified by the Insurance Commissioner as meeting the requirements of this chapter and unless it also holds a certificate of authority from the United States Treasury Department under which it is eligible as surety on federal bonds.

16618. The form of bonds required under this chapter shall be prescribed by the Attorney General.

16619. A surety upon any bond to secure deposits may terminate the bond as to future liability by giving 10 days' written notice of termination to the Treasurer. Such notice of termination shall not affect any liability accruing prior to the expiration of the 10-day period.

Within 10 days after receipt of such a notice of termination, the Treasurer shall require other acceptable security or withdraw the deposits secured by the bond to be terminated.

16620. That portion of any security for deposit that is in excess of the requirements of this article may be withdrawn or released on the written consent of the Treasurer.

16621. If any savings and loan association fails to pay all or any part of such deposits on demand of the Treasurer, pursuant to the terms and conditions of the contract relating to the deposit that is to be withdrawn in whole or in part, the Treasurer shall forthwith recover upon or convert the security therefor into money and disburse it according to law.

16622. If at any time the security deposited with the Treasurer is not deemed satisfactory by the Treasurer, he may require such additional security as is satisfactory to him.

Article 3. Custody of Securities

16625. As used in this article, "qualified trust company" means the trust department of any state or national bank in this state or a trust company authorized to act as such in this state.

16626. With the consent of the savings and loan association owning securities deposited or to be deposited with him as security, the Treasurer may:

(a) Authorize any qualified trust company or the Federal Reserve Bank of San Francisco or any branch thereof or any state or national bank located in any city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System or the Federal Home Loan Bank of San Francisco to receive as his agent deposits of any securities approved under this chapter.

(b) Place and maintain for safekeeping as a trust deposit with any qualified trust company, or with the Federal Reserve Bank of San

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Francisco or any branch thereof or the Federal Home Loan Bank of San Francisco any securities that have been received by him under this chapter.

(c) Whenever any qualified trust company accepts such securities under paragraph (a) or (b) such trust company, with the prior approval of the Treasurer, may keep such securities for safekeeping with any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System.

16627. The Treasurer shall take from the qualified trust company or from the Federal Reserve Bank of San Francisco or a branch thereof or the Federal Home Loan Bank of San Francisco a receipt for any securities received by it under this article. Neither the Treasurer nor the state is responsible for the custody and safe return of such securities until they are withdrawn from the qualified trust company or from the Federal Reserve Bank of San Francisco or a branch thereof or from the Federal Home Loan Bank of San Francisco by the Treasurer.

16628. Any qualified trust company or the Federal Reserve Bank of San Francisco or any branch thereof or the Federal Home Loan Bank of San Francisco to which securities are delivered, either as agent or depositary for the Treasury, shall make such disposition of the securities as the Treasurer directs and is responsible only for strict compliance with written instructions given to it by the Treasurer. All such securities are at all times subject to the order of the Treasurer.

16629. The charges of any qualified trust company or of the Federal Reserve Bank of San Francisco or a branch thereof or the Federal Home Loan Bank of San Francisco for the handling and safekeeping of such securities are not a charge against the Treasurer but shall be paid by the owner.

Article 4. Contracts

16630. The Treasurer shall enter into such contracts with such savings and loan associations as in his judgment will be to the public advantage so to do. The contracts shall fix the duration of deposits and the rates of interest to be received, if any, and provide conditions for their withdrawal, repayment, and security.

16631. In order to obtain as high rates of interest as possible, the contracts may contain any conditions necessary to conform with Section 5B of the Federal Home Loan Bank Act, as amended (12 USC Sec. 1425(b)), and with regulations established pursuant thereto by the Federal Home Loan Bank Board; but the term of any time deposit shall not be for longer than one year.

16632. The contracts covering deposits shall provide that the interest to be paid by the savings and loan association shall be paid upon the expiration of the certificate or certificates of deposit issued by the association as a part of the contract, and in any event, at least

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semiannually. The contract governing deposits shall also provide that the amounts of interest shall be reported by the savings and loan association at the time of payment of the interest, by statement in triplicate showing the balances or amounts of money of the state held by the association during the period and the amount of accrued interest thereon.

16633. The contracts shall be executed by the savings and loan associations in triplicate. The Treasurer shall file one copy of each contract with the Controller.

16634. At the time of depositing state money in any savings and loan association, designated as a depositary, the Treasurer shall take and preserve a receipt, certificate of deposit, or such other evidence of the deposit as the Treasurer may require, stating the amount deposited and referring to the contract made between the depositary savings and loan association and the Treasurer.

Article 5. Interest

16635. The interest to be paid by a depositary savings and loan association, shall be paid in accordance with the contract made with the Treasurer, and at least semiannually.

16636. The amounts of interest on time deposits shall be reported by the savings and loan association at the time of the payment of the interest by a statement in triplicate showing the balances or amounts of money of the state held by it during the period and the amount of accrued interest thereon.

Two copies of the statement shall be delivered by the savings and loan association to the Treasurer with the interest payments and the third copy shall, at the same time, be delivered directly to the Controller.

16637. Unless otherwise provided by law all interest paid on deposits which are deposited in savings and loan associations as provided in this chapter shall upon order of the State Controller be deposited in the General Fund.

SEC. 15. Section 17202 of the Government Code is amended to read:

17202. All registered warrants issued by the state are legal investments for all:

(a) Trust funds.

(b) Funds of all insurers.

(c) Funds of savings and loan associations.

(d) Funds of all banks, including any legal combination of commercial banks, savings banks and trust companies.

(e) Funds of all counties, municipal corporations, districts, public corporations, political subdivisions, or state agencies.

SEC. 16. Section 17203 of the Government Code is amended to read:

17203. Such registered warrants are acceptable and may be used as security for the faithful performance of any public or private trust

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or obligation or for the performance of any act, including the use of such registered warrants by banks and savings and loan associations as security for deposits of funds of any county, municipal or public corporation, district, political subdivision, or state agency.

SEC. 17. Section 53630 of the Government Code is amended to read:

53630. As used in this article:

(a) "Local agency" means county, city, city and county, or other public agency or corporation.

(b) "Treasurer" means treasurer of the local agency.

(c) "Depository" means a state or national bank or state or federal savings and loan association in which the moneys of a local agency are deposited.

(d) "Agent of depository" means a trust company or trust department of a state or national bank located in this state, including the trust department of a depository where authorized.

(e) "Security" means any of the eligible securities or obligations listed in Section 53651.

(f) "Pooled securities" means eligible securities held by an agent of depository for a depository and securing deposits of one or more local agencies.

(g) "Administrator" means the Administrator of Local Agency Security of the State of California.

SEC. 18. Section 53635 of the Government Code is amended to read:

53635. As far as possible, all money belonging to, or in the custody of, a local agency, including money paid to the treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in state or national banks or state or federal savings and loan associations in the state selected by the treasurer or other official having the legal custody of the money, or may be invested in:

(a) Bonds issued by it including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by it or by a department, board, agency or authority thereof.

(b) United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority thereof.

(d) Bonds, notes, warrants or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency or authority thereof.

(e) Obligations issued by banks for cooperatives, federal land

banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank, the Tennessee Valley Authority, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in obligations, participations, or other instruments of or issued by a federal agency or a United States government-sponsored enterprise.

(f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System. Purchases of bankers acceptances may not exceed 270 days maturity or 15 percent of the agency's surplus funds which may be invested pursuant to this section.

The provisions of subdivision (f) of this section shall not preclude a municipal utility district from investing any surplus money in its treasury in any manner authorized by the Municipal Utility District Act.

SEC. 20. Section 53637 of the Government Code is amended to read:

53637. The money shall be deposited in any depositary selected from those banks and those savings and loan associations agreeing to pay the highest rate of interest, not less than one-half of 1 percent a year.

SEC. 20.5. Section 53638 of the Government Code is amended to read:

53638. The deposit shall not exceed the total of the paid-up capital and surplus, of any depositary bank or the total of the net worth, of any depositary savings and loan association. For the purposes of this section, paid-up capital shall be deemed to include capital notes and debentures.

SEC. 21. Section 53648 of the Government Code is amended to read:

53648. Notwithstanding this article, the treasurer may deposit moneys in, and enter into contracts with, a state or national bank or state or federal savings and loan association pursuant to a federal law or a rule of a federal department or agency adopted pursuant to the law if the law or rule conflicts with this article in regulating the payment of interest on deposits of public moneys by banks which are Federal Reserve System members or whose deposits are insured by the Federal Deposit Insurance Corporation or by savings and loan associations which are Federal Home Loan Bank members or whose deposits are insured by the Federal Savings and Loan Insurance Corporation.

SEC. 22. Section 53659 of the Government Code is amended to read:

53659. Whenever an agent of depository accepts securities pursuant to Section 53656 it may, with the authorization of the depository, place such securities for safekeeping with a Federal Reserve Bank or branch thereof or with any bank located in a city

designated as a reserve city by the Board of Governors of the Federal Reserve System or with the Federal Home Loan Bank of San Francisco or with a trust company located in this state. Authority for such placement together with the names of the banks or, including the Federal Home Loan Bank of San Francisco, trust companies to be so used, shall be contained in the contract between the treasurer and the depository required in Section 53649.

SEC. 23. Section 53676 of the Government Code is amended to read:

53676. The treasurer is not responsible for securities delivered to and receipted for by any bank, savings and loan association or trust company.

SEC. 24. Section 53678 of the Government Code is amended to read:

53678. The charges for the handling and safekeeping of any such securities are not a charge against the treasurer but shall be paid by the depository owning the securities.

SEC. 25. Section 53679 of the Government Code is amended to read:

53679. So far as possible all money belonging to a local agency under the control of any of its officers or employees other than the treasurer or a judge or officer of a justice or municipal court shall, and all money coming into the possession of a judge or officer of a justice or municipal court may, be deposited as active deposits in the state or national bank or inactive deposits in the state or national bank or state or federal savings and loan association in this state selected by the officer, employee, or judge of the court. Such money is subject to this article except:

(a) Deposits in an amount less than that insured pursuant to federal law are not subject to this article.

For deposits in excess of the amount insured under any federal law a contract in accordance with Section 53649 is required and the provisions of this article shall apply.

(b) Interest is not required on money deposited in an active deposit by a judge or officer of a justice or municipal court.

(c) Interest is not required on money deposited in an active deposit by an officer having control of a revolving fund created pursuant to Chapter 2, Division 3, Title 3.

(d) Interest is not required on money deposited in an active deposit by an officer having control of a special fund established pursuant to Articles 5 or 6, Chapter 2, Division 3, Title 3.

SEC. 26. Section 61736 of the Government Code is amended to read:

61736. Notwithstanding the provisions of Sections 61730 to 61735, inclusive, the board may, in a resolution relating to the issuance of revenue bonds, designate a trustee, fiscal agent or depositary to receive the proceeds of sale of said revenue bonds or all or a part of any revenues received or to be received by the district from any enterprise of the district or from any services or facilities furnished

or to be furnished the district, all as set forth in such resolution; and in such event Sections 61730 to 61735, inclusive, shall not apply to said proceeds of sale of said bonds or to said revenues, and the trustee, fiscal agent or depositary so designated shall receive, hold and disburse said proceeds of sale of said bonds or said revenues upon such terms and conditions as shall be provided in said resolution, which shall prescribe the duties and powers of such trustee, fiscal agent or depositary. Any such trustee, fiscal agent, or depositary shall be a bank, savings and loan association, or trust company qualified to do business in the state.

SEC. 27. Section 61737.02 of the Government Code is amended to read:

61737.02. The board may by resolution designate a bank or a savings and loan association as depositary of any or all of its funds. If such depositary is not designated for all of its funds, it shall designate what funds are to be deposited with such depositary. The county treasurer shall be the depositary for all funds not so designated.

SEC. 28. Section 61737.09 of the Government Code is amended to read:

61737.09. Notwithstanding the provisions of Section 61302, a bank or a savings and loan association may act as a depositary, paying agent, or fiscal agent for the holding or handling of district funds, notwithstanding the fact that a member of the board of directors of the district whose funds are on deposit in said bank or savings and loan association is an officer, employee, or stockholder of such bank or savings and loan association, or of a holding company that owns any of the stock of such bank or savings and loan association.

SEC. 29. Section 68084 of the Government Code is amended to read:

68084. When any money is deposited with the clerk or judge of any court pursuant to any action or proceeding in the court, or pursuant to any order, decree, or judgment of the court, or when any money is to be paid to the treasurer pursuant to any provision of this title or the Code of Civil Procedure, such money shall be deposited as soon as practicable after the receipt thereof with such treasurer and a duplicate receipt of the treasurer for it shall be filed with the auditor. The certificate of the auditor that a duplicate receipt has been filed is necessary before the clerk, judge, or party required to deposit the money is entitled to a discharge of the obligation imposed upon him to make the deposit.

When any money so deposited is to be withdrawn or paid out, the order directing the payment or withdrawal shall require the auditor to draw his warrant for it and the treasurer to pay it. In any city governed by a charter, such withdrawals shall be made pursuant to the charter.

Notwithstanding any other provision of law, any municipal court or justice court, or marshal or constable of such court, may elect, with prior approval of the county auditor, to deposit in a bank account or deposit in a savings and loan association pursuant to Section 53679 of

the Government Code all moneys deposited with such court, or with the clerk thereof, or received by a marshal or constable. All moneys received and disbursed through such account or on deposit shall be properly accounted for under such procedures as the State Controller may deem necessary, and shall be subject to periodic settlement with the county auditor as required by law.

SEC. 30. Section 6801 of the Health and Safety Code is amended to read:

6801. As an alternative to the functions of the treasurer, the district board may elect to disburse funds of the district. Such election shall be made by resolution of the board and the filing of a certified copy thereof with the treasurer. The treasurer shall thereupon and thereafter deliver to the district all funds of the district. Such funds shall be deposited by the board in a bank or banks, or savings and loan association or savings and loan associations, approved for deposit of public funds and shall be withdrawn only by written order of the district board, signed by the president and secretary. The order shall specify the name of the payee, the fund from which it is to be paid and state generally the purpose for which payment is to be made. Such order shall be entered in the minutes of the board. The district board shall appoint a treasurer who shall be responsible for the deposit and withdrawal of funds of the district. The treasurer shall deposit with the district, prior to October 1st of each year, a surety bond in the annual amount fixed by the district board. The deposit and withdrawal of funds of the district shall thereafter be subject to the provisions of Article 2 (commencing at Section 53630), Chapter 4, Part 1, Division 2, Title 5, of the Government Code.

SEC. 31. Section 207 of the Streets and Highways Code is amended to read:

207. The California Highway Commission may by resolution provide a plan under which the department may invest presently unneeded money in the State Highway Fund in bonds or interest-bearing notes or obligations of the United States for which the faith and credit of the United States are pledged, for the payment of principal and interest, or in time bank deposits in eligible banks described in Section 16500 of the Government Code or in deposits in eligible savings and loan associations described in Section 16600 of the Government Code or in any securities of federal agencies described in Section 16430 of the Government Code. The department may, with the approval of the State Treasurer, invest such excess funds in accordance with said resolution. All such bonds, notes or obligations purchased under the provisions of this section must be delivered to the State Treasurer, who shall keep them as a portion of the State Highway Fund, and all interest thereon when collected shall be paid into and become a part of the State Highway Fund.

All investments under this section shall be liquidated as soon as the funds invested are required for state highway purposes.

SEC. 32. Section 25050 of the Streets and Highways Code is amended to read:

25050. The district, acting through its board of directors, shall have power to:

(a) Improve public highways.

(b) Issue bonds and levy and impose taxes and assessment taxes upon property within the boundaries of the district.

(c) Accept in the name of the district all gifts, donations or contributions from any source whatsoever made to further the purposes of the district.

(d) Exercise the right of eminent domain for the purpose of acquiring lands or rights-of-way for any of the authorized purposes of the district.

(e) Acquire and use such personal property as may in the opinion of the board of directors be necessary for the exercise of the powers granted by this part.

(f) Employ such labor and services as may in the opinion of the board of directors be necessary for the exercise of the powers granted by this part.

(g) Arrange for the safekeeping of all funds belonging to the district and appoint a treasurer and depositary or depositaries to keep the funds of the district and exact from such treasurer and depositary or depositaries such surety bonds or other security as the board of directors deems proper.

(h) Sue and be sued.

(i) Adopt a seal.

(j) Exercise all other powers expressly granted to it together with such powers as are reasonably implied therefrom and which are necessary and proper to carry out the objects and purposes of the district.

SEC. 33. Section 27185 of the Streets and Highway Code is amended to read:

27185. The board shall designate a bank or a savings and loan association of good standing, or both, as a depositary for district funds. The board may also designate other banks or savings and loan associations as branch depositaries. Any depositary and each branch depositary shall give security sufficient to secure the district against possible loss, and in the case of active deposits shall pay the warrants drawn by the auditor for demands against the district under such rules as the board may prescribe.

The board may also deposit all or part of the funds of the district in the State Treasury, and the State Treasurer shall receive any district funds sent to him for deposit and pay out said funds upon warrants of the district, under such rules as the board may prescribe. Boards and district officials conforming to the provisions of this section are not required to conform to the provisions of Chapters 4 (commencing with Section 16500) or 4.5 (commencing with Section 16600) of Part 2, Division 4, Title 2, of the Government Code.

SEC. 34. Section 1531 of the Unemployment Insurance Code is amended to read:

1531. The director shall, without presenting vouchers and itemized statements therefor, withdraw from the benefit account any sums which he deems necessary for the payment of benefits for a reasonable future period. The Controller shall draw his warrant for any claim presented by the director for the payment of benefits under this account and the Treasurer shall pay the warrant. Upon the withdrawal thereof, such sums shall be deposited in a benefit payment account in such bank, savings and loan association, or public depository and under such conditions as the director determines, with the approval of the Department of Finance. Such bank, savings and loan association, or public depository shall be one in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the benefit payment account. The director may, out of funds available for administration, pay premiums on insurance for the protection of money in his possession.

SEC. 35. Section 1533 of the Unemployment Insurance Code is amended to read:

1533. Except as otherwise provided in this chapter, money in the clearing and benefit accounts may be deposited by the Treasurer, under the direction of the director, in any bank, savings and loan association, or public depositary in which public funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. Money in the clearing and benefit accounts shall not be commingled with other state funds, but shall be maintained in a separate account on the books of the depositary. Such money shall be secured by the bank or public depositary to the same extent and in the same manner as required under Chapter 4, Part 2, Division 4, Title 2 of the Government Code if deposited in a bank or public depository, not a savings and loan association or to the same extent and in the same manner as required under Chapter 4.5 (commencing with Section 16600) of Part 2 of Division 4 of Title 2 of the Government Code if deposited in a savings and loan association and collateral pledged shall be maintained in a separate custody account

SEC. 36. Section 1557 of the Unemployment Insurance Code is amended to read:

1557. Money in the Unemployment Administration Fund shall not be commingled with other state funds, but shall be maintained in a separate account on the books of the depositary. Such money shall be secured by the depositary in which it is held to the same extent and in the same manner as required under Chapter 4, Part 2, Division 4, Title 2 of the Government Code, if deposited in a bank, or under Chapter 4.5 (commencing with Section 16600) of Part 2 of Division 4 of Title 2 of the Government Code if deposited in a savings and loan association and collateral pledged shall be maintained in a separate custody account.

SEC. 37. Section 1560 of the Unemployment Insurance Code is amended to read:

1560. All money in the Unemployment Administration Fund, in excess of current requirements, and not otherwise invested, may be deposited by the State Treasurer in banks and savings and loan associations and otherwise held and invested by him in the same manner as provided by law in the case of other special funds in the State Treasury, and under the same rules and regulations that govern the deposit of other public funds.

SEC. 38. This act shall become operative only if Assembly Constitutional Amendment No. 31 of the 1975–76 Regular Session of the Legislature is adopted by the electorate.

SEC. 39. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The provisions of Assembly Constitutional Amendment No. 31 of the 1975–76 Regular Session which authorizes the Legislature to provide for the deposit of public moneys in savings and loan associations in this state will be presented to the voters on June 8, 1976. In order to be able to effectuate the provisions of ACA 31 as soon as possible if the measure is adopted by the electorate, it is necessary that the provisions of this act take effect immediately.

CHAPTER 350

An act to amend and supplement the Budget Act of 1976 by adding Section 2.8C thereto, relating to an appropriation for acquisition of park property, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 2.8C is added to the Budget Act of 1976, to read:

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

Sec. 2.8C. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years. All such appropriations shall be paid out of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

CAPITAL OUTLAY

Resources

411.2C—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivision (e) of Section 5096.85 of the Public Resources Code, for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 16,095,000

Schedule:

(a) Acquisition costs	100,000
(b) Augmentation for land acquisition condemnation proceedings	2,000,000
(c) Anza-Borrego Desert State Park, Culp Valley inholding, land acquisition	325,000
(d) Big Basin Redwoods State Park, East Waddell Gorge and Pine Mountain, land acquisition	1,250,000
(e) Forest of Nisene Marks State Park, Hinkley Basin inholding, land acquisition	150,000
(f) San Bruno Mountain, land acquisition	4,000,000

provided that, in addition to the other requirements herein elsewhere set forth, none of the funds appropriated by this subitem shall be available for expenditure unless and until the State Park and Recreation Commission determines that appropriate local public entities have acquired or are acquiring comparable parklands in the area and that appropriate local public entities have made reasonable assurances that no costs for maintenance, operation, and development of the parklands acquired with the funds appropriated by this subitem will be borne by the state.

(g) Sacramento River Boating Trail, title search and surveys	75,000
(h) San Gregorio State Beach, upland, land acquisition	35,000
(i) Marshall Gold Discovery State Historic Park, land acquisition	380,000
(j) Petaluma Adobe State Historic Park, land acquisition	80,000
(k) Point Mugu State Park, acquisition of Boney Ridge, Santa Monica Mountains	500,000
(*l*) Marina Beach, land acquisition	2,000,000

(m) Castle Rock State Park, proposed addition 600,000
(n) Leo Carrillo State Park, acquisition of Nicholas Flat, Santa Monica Mountains 2,500,000
(o) Clark Lake, land acquisition..... 1,200,000
(p) Atascadero State Beach extension, land acquisition 900,000

provided that none of the funds which are appropriated by this item for the projects set forth herein shall be available for expenditure unless and until such projects are recommended by the State Park and Recreation Commission and approved by the Secretary of the Resources Agency; and provided further, that such funds shall not be expended on the purchase of any real property until the State Public Works Board has determined both of the following:

(a) That the procedures and criteria established by the Attorney General relating to implied dedication have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.

(b) That the Department of General Services, in making its investigations and appraisals, has found no evidence that there is any person or group of persons who assert any prescriptive right or claim in the property to be acquired; or, if such prescriptive right or claim has been asserted or established, that the department has appraised the property at a price that reflects the value of such right or claim.

SEC. 2. In the event that moneys, or a part thereof, appropriated for the San Bruno Mountain land acquisition in subitem (f) of Item 411.2C of the Budget Act of 1976, as amended and supplemented by this act, are not encumbered or expended on or before June 30, 1979 the Department of Parks and Recreation shall study the suitability of allocating from the appropriate allocations of funds made in Section 5096.85 of the Public Resources Code, an equal sum of money, or so much thereof as is necessary, for the following projects in the County of San Mateo: Brisbane Lagoon, Sierra Point, Belle Air Peninsula, the county trails system, Sanchez Adobe, and Fitzgerald Marine Reserve Development. The department shall report its findings and recommendations regarding such allocations for such projects to the Legislature on or before January 1, 1980.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order for the provisions of this act to be able to augment the Budget Act of 1976, and thereby enable the early acquisition or development of greatly needed lands for park, recreational, beach, or historical purposes, it is necessary that this act go into immediate effect.

CHAPTER 351

An act relating to state lands.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. The Governor shall direct the Department of General Services to transfer to the United States National Park Service on or before April 1, 1980, the following properties for inclusion in the Golden Gate National Recreation Area pursuant to Public Law 92-589 (86 Stat. 1299), as amended:

(a) Muir Beach State Park, 15.83 acres.

(b) Stinson State Beach, 51.22 acres.

(c) Marin Headlands State Park, 659.67 acres.

SEC. 2. The Governor may, whenever he determines it to be in the best interests of the state, direct the Department of General Services to transfer to the United States National Park Service the following properties for inclusion within the Golden Gate National Recreation Area pursuant to Public Law 92-589 (86 Stat. 1299) as amended:

(a) Angel Island State Park, 739.89 acres.

SEC. 3. Prior to any transfers pursuant to this act, the state shall maintain all such properties in their current physical condition. To this end, the Director of the Department of Parks and Recreation shall preserve, protect, and prevent further deterioration of or damage to the China Cove immigration station on Angel Island and all Chinese calligraphy therein.

(a) The date of transfer (within the statutory time limitations) shall be at the mutual agreement of the Department of General Services, the Department of Parks and Recreation, or the State Public Works Board and the United States National Park Service.

(b) No new lease, concession, or other agreement between the state and any person shall be entered into unless it is made subject to termination upon transfer of the affected property to the United States or is approved by the appropriate agency of the United States.

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(c) Any lease, concession or other agreement not included under subdivision (b) may be transferred to the United States National Park Service.

(d) Every instrument of transfer pursuant to this act shall provide that any land not used for a purpose consistent with the purposes of the Golden Gate National Recreation Area as specified in Public Law 92-589 (86 Stat. 1299), as amended, shall revert to the state.

(e) There shall be reserved to the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove such deposits, but such right shall be limited to those areas of the property transferred which the Director of General Services determines to be reasonably necessary for the removal of such deposits.

SEC. 4. The boundaries of properties transferred pursuant to this act shall be the mean high water mark, and the tidelands and submerged lands below the mean high water mark shall remain under the jurisdiction of the state, subject to the following:

(a) Public recreational access to such tidelands and submerged lands shall be permitted by the state upon request of the National Park Service; but the state shall retain all jurisdiction over such tidelands and submerged lands, and the Department of Fish and Game shall continue to enforce all laws of the state relating to the protection of fish and game.

(b) The state may grant to the National Park Service easements or rights of access, without payment of any fee, across tidelands and submerged lands below the mean high water mark for the purpose of preserving and enhancing the recreational uses of the parks.

CHAPTER 352

An act relating to state lands, and this connection, adding Section 3 to Chapter 490 of the Statutes of 1871–72, Section 4 to Chapter 88 of the Statutes of 1923, and Section 3.5 to the Burton Act (Chapter 1333 of the Statutes of 1968), and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

SECTION 1. The Governor shall direct the Department of General Services to transfer to the United States National Park Service the following properties for inclusion in the Golden Gate National Recreation Area pursuant to Public Law 92-589 (86 Stat. 1299):

(a) San Francisco State Parks south and west of the Golden Gate Bridge: Phelan Beach, Baker Beach and Seal Rocks State Beach.

SEC. 2. The Governor may, whenever he determines it to be in the best interests of the state, direct the Department of General Services to transfer to the United States National Park Service the following properties for inclusion within the Golden Gate National Recreation Area pursuant to Public Law 92-589 (86 Stat. 1299):

(a) San Francisco Maritime State Historical Park, including vessels and the Haslett Warehouse.

SEC. 3. (a) Prior to any transfer pursuant to Section 1 of this act the state shall maintain all such properties in their current physical condition.

(b) No new lease, concession, or other agreement between the state and any person shall be entered into pertaining to properties under Section 1 of this act unless it is made subject to termination upon transfer of the affected property to the United States or is approved by the appropriate agency of the United States.

(c) Any lease, concession, or other agreement not included in subdivision (b) may be transferred to the National Park Service.

(d) Every instrument of transfer pursuant to this act shall provide that any land not used for a purpose consistent with the purposes of the Golden Gate National Recreation Area, as specified in Public Law 92-589 (86 Stat. 1299), as amended, shall revert to the state.

(e) There shall be reserved to the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove such deposits, but such right shall be limited to those areas of the property transferred which the Director of General Services determines to be reasonably necessary for the removal of such deposits.

SEC. 4. The boundaries of properties transferred pursuant to Sections 1 and 2 of this act shall be the mean high water mark, and the tidelands and submerged lands below the mean high water mark shall remain under the jurisdiction of the state, subject to the following:

(a) Public recreational access to such tidelands and submerged lands shall be permitted by the state upon request of the National Park Service; but the state shall retain all jurisdiction over such tidelands and submerged lands, and the Department of Fish and Game shall continue to enforce all laws of the state relating to the protection of fish and game.

(b) The state may grant to the National Park Service easements or rights of access, without payment of any fee, across tidelands and submerged lands below the mean high water mark for the purpose of preserving and enhancing the recreational uses of the parks.

SEC. 5. Section 3 is added to Chapter 490 of the Statutes of 1871–72, to read:

Sec. 3. (a) Notwithstanding any other provision of law, the City and County of San Francisco may transfer to the United States, for inclusion in the Golden Gate National Recreation Area, lands, or so much thereof as may be necessary for such purpose, that are granted pursuant to this act.

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(b) Such transfer may be made subject to such conditions as the city and county may impose.

(c) There is hereby excepted and reserved to the state all deposits of minerals, including, but not limited to, all substances specified in Section 6407 of the Public Resources Code, in the lands granted to the city and county by this act; and there is further reserved to the state, or persons authorized by the state, the right to prospect for, mine, and remove such deposits from the lands, so long as the exercise of such right does not unreasonably interfere with the use of the lands for the purpose specified in subdivision (a).

(d) There is hereby reserved to the people of the state the absolute right to fish in the waters over such lands, with the right of convenient access to such waters for such purpose.

(e) If the United States ceases to use the lands for the purpose specified in subdivision (a), all right, title, and interest of the United States in the lands shall cease and title in the lands shall revert to the city and county.

SEC. 6. Section 4 is added to Chapter 88 of the Statutes of 1923, to read:

Sec. 4. (a) Notwithstanding any other provision of law, the City and County of San Francisco may transfer to the United States, for inclusion in the Golden Gate National Recreation Area, lands, or so much thereof as may be necessary for such purpose, that are granted pursuant to this act.

(b) Such transfer may be made subject to such conditions as the city and county may impose.

(c) There is hereby excepted and reserved to the state all deposits of minerals, including, but not limited to, all substances specified in Section 6407 of the Public Resources Code, in the lands granted to the city and county by this act; and there is further reserved to the state, or persons authorized by the state, the right to prospect for, mine, and remove such deposits from the lands, so long as the exercise of such right does not unreasonably interfere with the use of the lands for the purpose specified in subdivision (a).

(d) There is hereby reserved to the people of the state the absolute right to fish in the waters over such lands, with the right of convenient access to such waters for such purpose.

(e) If the United States ceases to use the lands for the purpose specified in subdivision (a), all right, title, and interest of the United States in the lands shall cease and title in the lands shall revert to the city and county.

SEC. 7. Section 3.5 is added to the Burton Act (Chapter 1333 of the Statutes of 1968), to read:

Sec. 3.5. (a) Notwithstanding any other provision of law, the City and County of San Francisco may transfer to the United States, for inclusion in the Golden Gate National Recreation Area, lands underlying the perimeter of the Municipal Recreation Pier at the foot of Van Ness Avenue, together with all improvements and structures upon or above such lands, that are granted to the city and

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county pursuant to this act.

(b) Such transfer may be made subject to such conditions as the city and county may impose.

(c) There is hereby excepted and reserved to the state all deposits of minerals, including, but not limited to, all substances specified in Section 6407 of the Public Resources Code, in the lands granted to the city and county by this act; and there is further reserved to the state, or persons authorized by the state, the right to prospect for, mine, and remove such deposits from the lands, so long as the exercise of such right does not unreasonably interfere with the use of the lands for the purpose specified in subdivision (a).

(d) There is hereby reserved to the people of the state the absolute right to fish in the waters over such lands, with the right of convenient access to such waters for such purpose.

(e) If the United States ceases to use the lands for the purpose specified in subdivision (a), all right, title, and interest of the United States in the lands shall cease and title in the lands shall revert to the city and county.

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

In order to effectuate the transfer of certain state lands to the United States National Park Service for inclusion in the Golden Gate National Recreation Area at the earliest possible time, and to thereby satisfy urgent recreational needs of the people of the State of California, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 353

An act making an appropriation for the state park system, and in this connection amending and supplementing the Budget Act of 1976 by adding Section 2.8A thereto, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 2.8A is added to the Budget Act of 1976, to read:

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

Sec. 2.8A. The following sums of money, or so much thereof as

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may be necessary, unless otherwise provided herein, are hereby appropriated for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years. Appropriations for studies, planning, and working drawings shall be available for expenditure only during the 1976–77 fiscal year. All such appropriations shall be paid out of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

CAPITAL OUTLAY

Resources

411.1A—For capital outlay, Department of Parks and Recreation, for purposes set forth in subdivision (c) of Section 5096.85 of the Public Resources Code, for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 250,000

Schedule:

(a) Angel Island State Park: development 250,000

provided, that the funds appropriated by this item shall be used solely for the repairs and restoration of the Immigration Station Barracks at the North Garrison necessary to make it safe for public occupancy, and to provide for the preservation, display, and interpretation of the Chinese calligraphy therein; and

provided, further, that none of the funds which are appropriated by this item for the project set forth herein shall be available for expenditure unless and until such project is recommended by the State Park and Recreation Commission and reviewed by the Secretary of the Resources Agency.

SEC. 2. Section 1 of this act shall become operative on July 1, 1976.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that provisions of this act may augment the Budget Act of 1976, and thereby enable the early development of a highly significant structure for historical purposes, it is necessary that this act go into immediate effect.

CHAPTER 354

An act to amend Sections 19614 and 19627.3 of, and to add Sections 19627.2 and 19630.1 to, the Business and Professions Code, and to add Section 4401.5 to the Food and Agricultural Code, relating to fairs, and making an appropriation therefor.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 19614 of the Business and Professions Code is amended to read:

19614. (a) Notwithstanding any provision to the contrary in this chapter, any association which handles twenty million dollars ($20,000,000) or less in the parimutuel pools operated by it during the course of a racing meeting shall be exempt from the requirements of Sections 19611 and 19612 which prescribe the amount which shall be paid for purses, and the provisions of subdivision (c) of Section 19615. Any such association shall deduct from the total amount handled in parimutuel pools relating to its meeting 15.75 percent thereof to be distributed as license fees, commissions, and purses, and shall pay a license fee of 5½ percent on the amount handled by it in lieu of any other base rate, or rates, otherwise provided for. The remaining 10.25 percent so deducted shall be distributed as commissions and purses. No such association, or its successor in interest, except the California State Fair and Exposition or a district or county fair, shall pay the reduced license fee provided for herein for more than five years after July 1, 1970.

(b) Notwithstanding subdivision (a), any such fair racing association shall, for fair racing meetings, whether or not such fair racing meeting is conducted by a fair racing association or any other association under a contract, agreement, or lease, held during an annual fair, deduct 1 percent, in addition to the 15.75 percent, from the total amount handled in the parimutuel pools resulting from such fair racing meetings. The additional 1 percent shall be used for the purposes specified in Section 19627.2. Any funds received under this subdivision shall be deposited in the Fair and Exposition Fund, which shall be in addition to the second balance of the funds provided for in Section 19629, and are hereby appropriated for the purposes specified in Section 19627.2.

SEC. 2. Section 19627.2 is added to the Business and Professions Code, to read:

19627.2. The funds made available pursuant to subdivision (b) of Section 19614, shall be allocated by the Director of Food and Agriculture for the following activities:

(a) Not to exceed one hundred ninety-five thousand dollars ($195,000) for the operational support of any district agricultural

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association created on or after January 1, 1972, but not later than March 1, 1975, to be allocated pursuant to the criteria, and for the purposes, set forth in Section 19627. After January 1, 1977, no such district agricultural association shall receive any funds allocated pursuant to the provisions of Section 19627.

(b) Remainder of the funds shall be for the following purposes:

(1) For payment of premiums authorized by the Department of Food and Agriculture according to those categories established under the provisions of Section 4501 of the Food and Agricultural Code.

(2) For purposes specified in Section 4401.5 of the Food and Agricultural Code.

(3) For the purposes specified in Section 7504 of the Education Code to support student organizational activities, approved by an appropriate local educational agency, in the fields of agricultural and vocational education. The Director of Food and Agriculture shall annually invite school districts, the Vocational Education Unit of the Department of Education, and state-supported fairs to which Article 10 (commencing with Section 19620) of Chapter 4 of Division 8 is applicable, together and cooperatively, including the California State Fair and Exposition, to apply for funding for the purposes specified in Section 7504 of the Education Code.

The Director of Food and Agriculture shall develop a standard application procedure and criteria for approval of grants for projects funded under the provisions of paragraphs (2) and (3) of subdivision (b), and ensure that the funds allocated under the provisions of subdivision (b) do not supplant existing activities currently conducted and funded from other sources, public or private.

Any funds not allocated pursuant to the provisions of this section, shall be allocated under the provisions of Section 19627.3. The Director of Food and Agriculture shall determine the need for allocation of funds under the provisions of Section 19627.3 prior to making any allocations under the provisions of subdivision (b).

SEC. 3. Section 19627.3 of the Business and Professions Code is amended to read:

19627.3. (a) Any unallocated moneys at the end of any fiscal year from the appropriation made by Section 19627 shall be allocated by the Director of Food and Agriculture for capital outlay to county, district, combined county and district, or citrus fruit fairs for fair projects involving public health and safety, for fair projects involving major and deferred maintenance, for fair projects necessary due to any emergency, for projects that are required by physical changes to the fair site, for projects that are required to protect the fair property or installation, such as fencing and flood protection, and for the acquisition or improvement of any property or facility that will serve to enhance the operation of the fair.

It is the intent of the Legislature that such moneys shall be used primarily for those fairs whose sources of revenue may be limited for purposes described in this section.

(b) Any money subject to allocation pursuant to subdivision (a), may be allocated by the Director of Food and Agriculture to county, district, or combined county and district fairs for general operational support purposes. The limitations as to the maximum amount of apportionment provided for in Section 19627, shall not be applicable to such allocation.

SEC. 4. Section 19630.1 is added to the Business and Professions Code, to read:

19630.1. There is hereby appropriated annually from the second balance of the fund, the sum of three million dollars ($3,000,000) for each of the 1976–77, 1977–78, and 1978–79 fiscal years for loans for allocation to state-supported fairs by the Director of Finance, for the purposes specified in Section 19630 and pursuant to the provisions of Chapter 630 of the Statutes of 1975. For any loan or series of loans for any single project, if the total amount of the loan or the series of loans exceeds one million dollars ($1,000,000), the Director of Finance may extend the repayment time up to 15 years for any such loan or loans.

The Director of Finance shall develop a criteria to determine eligibility of fairs applying for loans pursuant to this section.

SEC. 5. Section 4401.5 is added to the Food and Agricultural Code, to read:

4401.5. (a) The director shall expend an amount not to exceed a total of one hundred thousand dollars ($100,000) in any fiscal year for any exhibit or exhibits located on any state-supported fair demonstrating, in a creative and innovative manner, the process of production and use of food and fiber from the producer to the consumer in this state.

(b) The director shall annually provide for a conference of fair judges to aid the department in prescribing regulations adopted pursuant to Section 4501. The director may expend up to fifteen thousand dollars ($15,000) in any fiscal year for such purposes.

CHAPTER 355

An act to add and repeal Chapter 9.5 (commencing with Section 8760) to Division 1 of Title 2 of the Government Code, relating to food and nutrition.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Chapter 9.5 (commencing with Section 8760) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 9.5. INTERDEPARTMENTAL COUNCIL ON FOOD AND NUTRITION

8760. There is in the State Department of Health the Interdepartmental Council on Food and Nutrition, hereafter in this chapter referred to as the "council".

8761. The membership of the council shall consist of the following:

(a) Director of Food and Agriculture or his or her designee.

(b) Director of Consumer Affairs or his or her designee.

(c) Superintendent of Public Instruction or his or her designee.

(d) Director of Health or his or her designee, who shall serve as chairperson.

(e) Director of Benefit Payments or his or her designee.

(f) Director of the Office of Aging or his or her designee.

(g) Director of Corrections or his or her designee.

(h) Director of Youth Authority or his or her designee.

(i) A representative of a medical school of the University of California, to be appointed by the president of the university.

(j) President of the University of California or his or her designee.

(k) Chancellor of California University and Colleges or his or her designee.

8762. The Director of Health shall call the first meeting of the council during January 1977.

8763. Each representative of the various state departments shall serve without additional compensation to that received for his service to the state government.

8764. The council may establish a citizen's advisory group, if necessary, to assist it in its duties created by this chapter.

8765. The council may request any state department to lend personnel to assist it in carrying out its duties created by this chapter. Upon such request, the head of any state department is authorized to, and may lend any of its personnel to the council.

8766. The duties of the council shall be, but are not limited to, the following:

(a) To determine the annual state and federal expenditures on food and nutrition programs in California.

(b) To evaluate the effectiveness of existing food and nutrition programs in which the state government is involved.

(c) To develop a comprehensive plan and recommendations on food and nutrition with particular emphasis on coordination of all state food and nutrition programs, with such plan to be submitted to the Governor and Legislature within 24 months after effective date of this chapter. Such plan shall include, but is not limited to:

(1) A major emphasis on food and nutrition education, including an evaluation of the effectiveness of education by various approaches and at various levels.

(2) Determine methods as to evaluation of food and nutrition programs.

(3) Review existing research in the area of food and nutrition, including food additives, and recommend where further research or legislation is necessary.

(4) Review the accuracy of food product labeling and advertising, and recommend where further research or legislation is necessary.

8767. The council may accept gifts and grants from any source, public or private, to assist it in the performance of its function.

8768. This chapter is hereby repealed on January 1, 1979, and shall have no further force or effect after such date.

CHAPTER 356

An act to amend Section 17958.7 of the Health and Safety Code, relating to housing.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 17958.7 of the Health and Safety Code is amended to read:

17958.7. (a) The governing body of a city or county before making any modifications or changes pursuant to Section 17958.5 shall make an express finding that such modifications or changes are needed. Such a finding shall be available as a public record and a copy, together with the modification or change, filed with the department. No such modification or change shall become effective or operative for any purpose until the finding and the modification or change have been filed with the department. Except as provided in Section 17958.8, nothing contained in this part shall be construed to require the governing body of any city or county to alter in any way building regulations enacted on or before November 23, 1970.

(b) If, prior to the effective date of this subdivision, the governing body of a city or county has filed the modification or change but has failed to file the express finding, the governing body shall file the express finding with the department within 90 days after the effective date of this subdivision. If the express finding is not so filed within such 90 days, the modification or change shall have no force or effect on and after such date.

SEC. 2. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency because this act is a means to enforce an obligation of cities and counties which existed prior to January 1, 1973.

CHAPTER 357

An act to amend Section 469 of the Revenue and Taxation Code, relating to property tax audits.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 469 of the Revenue and Taxation Code is amended to read:

469. In any case in which locally assessable business tangible personal property owned, claimed, possessed or controlled by a taxpayer engaged in a profession, trade, or business has a full value of one hundred thousand dollars ($100,000) or more, the assessor shall audit the books and records of such profession, trade, or business at least once each four years. If the board determines the value of property pursuant to Chapter 2 (commencing with Section 1815) of Part 3 of this division, such determination may be deemed an audit by the assessor for purposes of this section.

Equalization of the property by a county board of equalization or assessment appeals board pursuant to Chapter 1 (commencing with Section 1601) of Part 3 of this division shall not preclude a subsequent audit and shall not preclude the assessor from levying an escape assessment in appropriate instances, but shall preclude an escape assessment being levied on that portion of any such assessment which was the subject of any such equalization hearing.

CHAPTER 358

An act to add Section 481.5 to the Insurance Code, relating to insurance.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 481.5 is added to the Insurance Code, to read:

481.5. Whenever an insurer rejects, declines, cancels, or surrenders a policy of insurance as defined in subdivision (a) of Section 660 or Section 675, or a policy is canceled pursuant to Section 673, the unearned premium shall be tendered to the insured or to the person entitled thereto or to the insurance agent of record as the insurer's agent for transmittal within 30 days after the cessation of coverage due to cancellation, rejection, surrender, or rescission. Any unearned premium not tendered within the time specified above

shall bear interest at the rate of 10 percent per annum from and after such 30 days. Such interest imposition shall not apply to any insurer in conservatorship or liquidation and shall constitute the sole penalty paid to the insured for a failure to refund an unearned premium.

CHAPTER 359

An act to amend Section 15802.1 of the Education Code, relating to school insurance.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 15802.1 of the Education Code is amended to read:

15802.1. The governing board of any school district may, by resolution, establish a fund or funds for losses, including, but not limited to, school district property, any liability, and workers' compensation, in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies or losses due to noninsured perils. In the fund or funds shall be placed such sums, to be provided in the budget of the school district, as will create an amount which, together with investments made from the fund or funds, will be sufficient in the judgment of the governing board to protect the school district from such losses on the deductible amount under deductible types of insurance policies or losses due to noninsured perils. Nothing in this section shall be construed as prohibiting the governing board from providing protection against such losses partly by means of the fund or funds and partly by means of insurance written by acceptable insurers as provided in Section 15802. A school district may contract for claims adjustment and related services. The cost of such services is an appropriate charge against the appropriate fund.

The fund or funds shall be considered as separate and apart from all other funds of the school district, and the balance therein shall not be considered as being part of the working cash of the school district in compiling annual budgets.

Warrants shall not be drawn on or transfers made from the fund or funds so created, except to reimburse or indemnify the school district for losses as herein specified, and only upon resolution duly adopted by the board of education.

The cash placed in the fund or funds may be invested and reinvested by the county treasurer, with the advice and consent of the governing board of the school district, in securities which are legal investments for surplus county funds in this state. The income derived from such investments, together with interest earned on

uninvested funds, shall be considered revenue of and be deposited in the fund.

CHAPTER 360

An act to amend Section 19286 of the Revenue and Taxation Code, relating to personal income tax returns.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 19286 of the Revenue and Taxation Code is amended to read:

19286. The Franchise Tax Board may permit the Commissioner of Internal Revenue of the United States, or other tax officials of this state, or the Multistate Tax Commission, or the proper officer of any state imposing an income tax or a tax measured by income, or the authorized representative of any such officer, to inspect the income tax returns of any individual, estate, trust, or partnership, or may furnish to such commission, or the officer or the authorized representative thereof an abstract of the return of income of any taxpayer or supply thereto information concerning any item of income contained in any return or disclosed by the report of any investigation of the income or return of income of any taxpayer. Such information shall be furnished to the Multistate Tax Commission, such federal or state officer or his representative for tax purposes only. Except when furnished pursuant to a written agreement, information furnished pursuant to this section, shall be furnished only if the request is in the form of an affidavit under penalty of perjury stating that the purpose for the request relates to an investigation of the tax specified in the request and that the information will be used in the ordinary performance of the applicant's official duties.

CHAPTER 361

An act to add Section 10926 to the Education Code, relating to school notices.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

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SECTION 1. Section 10926 is added to the Education Code, to read:

10926. When 15 percent or more of the pupils enrolled in a public school that provides instruction in kindergarten or any of grades 1 through 12 speak a single primary language other than English, as determined from the census data submitted to the Department of Education pursuant to Section 5761.3 by the first day of April in the preceding year, all notices, reports, statements, or records sent to the parent or guardian of any such pupil by the school or school district shall, in addition to being written in English, be written in such primary language, and may be responded to either in English or the primary language.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act merely affirms for the state that which has been declared existing law or regulation through action of the federal government.

CHAPTER 362

An act to add Section 5510 to the Fish and Game Code, relating to waste of fish.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 5510 is added to the Fish and Game Code, to read:

5510. The commission may adopt regulations to prevent deterioration and waste of fish taken for purposes other than profit, and to regulate the disposal of the offal of such fish.

CHAPTER 363

An act to add Section 146.6 to the Streets and Highways Code, relating to parking facilities.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 146.6 is added to the Streets and Highways Code, to read:

146.6. Notwithstanding the provisions of Section 146.5, upon a

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finding by the department that such facilities will improve safety and capacity on the state highway system, the department may use any funds in the State Highway Account derived from state sources to match federal or local funds to construct, maintain, and operate fringe area parking facilities for three demonstration projects to be located in the San Francisco Bay and Los Angeles regions. Departmental participation may also include provision of space for the constructing of such facilities. Departmental participation shall be determined by agreements with the other public agencies. The department shall endeavor to complete construction of such demonstration parking facilities on or before January 1, 1978. The department shall prepare and submit to the Governor and the Legislature a report evaluating such facilities one year following commencement of operation of such facilities.

Funds expended for construction pursuant to this section shall be deemed expenditures on the state highway system for purposes of Sections 188, 188.8, and 188.9.

CHAPTER 364

An act to amend Section 8276 of, and to add and repeal Section 8276.4 of, the Fish and Game Code, relating to crabs, declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 8276 of the Fish and Game Code is amended to read:

8276. Notwithstanding any other provisions of this code or any regulations made pursuant to this code:

(a) Crabs may be taken in Districts 6, 7, 8, and 9 only between December 1st and July 15th.

(b) Crabs may be taken in all other districts only between the second Tuesday in November and June 30th.

(c) Crabs may not be taken for commercial purposes in any district or part of a district lying within the portions of Crescent City Harbor between the south sand barrier and the breakwater.

This section shall become operative on January 1, 1978.

SEC. 2. Section 8276.4 is added to the Fish and Game Code, to read:

8276.4. Notwithstanding any other provisions of this code or any regulations made pursuant to this code:

(a) Crabs may be taken in Districts 6, 7, 8, and 9 only between December 1st and August 31st.

(b) Crabs may be taken in all other districts only between the

second Tuesday in November and June 30th.

(c) Crabs may not be taken for commercial purposes in any district or part of a district lying within the portions of Crescent City Harbor between the south sand barrier and the breakwater.

This section shall remain in effect only until January 1, 1978, and as of that date is repealed.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order for the provisions of this act to be operative in time to extend the present crab season and to thereby prevent major economic loss to the crab industry, it is necessary that this act go into immediate effect.

CHAPTER 365

An act to amend Section 14771.5 of the Revenue and Taxation Code, relating to inheritance tax referees.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 14771.5 of the Revenue and Taxation Code is amended to read:

14771.5. (a) Qualification examinations for applicants for appointment as an inheritance tax referee shall be held at such times and at such places within the state as the Controller determines.

(b) The Controller shall contract with the State Personnel Board to administer such examination. Each applicant shall pay a fee for taking the examination as is established by the State Personnel Board.

(c) The administration of such examinations shall include:

(1) Development of standards for passage of such examination.

(2) Preparation of examination questions.

(3) Giving such examinations.

(4) Scoring examinations.

(d) The State Personnel Board shall transmit to the Controller a list of candidates that have received a passing score in such examinations. Such list shall be a public record.

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CHAPTER 366

An act to amend Section 52 of, and to add Section 51.5 to, the Civil Code, relating to civil rights.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 51.5 is added to the Civil Code, to read:

51.5. No business establishment of any kind whatsoever shall discriminate against, boycott or blacklist, refuse to buy from, sell to, or trade with any person in this state because of the race, creed, religion, color, national origin, or sex of such person or of such person's partners, members, stockholders, directors, officers, managers, superintendents, agents, employees, business associates, suppliers, or customers.

As used in this section "person" includes any person, firm, association, organization, partnership, business trust, corporation, or company.

SEC. 2. Section 52 of the Civil Code is amended to read:

52. Whoever denies, or who aids, or incites such denial, or whoever makes any discrimination, distinction or restriction on account of sex, color, race, religion, ancestry, or national origin contrary to the provisions of Section 51 or 51.5 of this code, is liable for each and every such offense for the actual damages, and such amount as may be determined by a jury, or a court sitting without a jury, up to a maximum of three times the amount of actual damage but in no case less than two hundred fifty dollars ($250), and such attorney's fees as may be determined by the court in addition thereto, suffered by any person denied the rights provided in Section 51 or 51.5 of this code.

SEC. 3. It is the intent of the Legislature that the State of California by the provisions of this act not preempt this area of concern so that other jurisdictions in the state may take actions appropriate to their concerns.

CHAPTER 367

An act to amend Sections 2 and 3 of Chapter 398 of the Statutes of 1973, relating to fish.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

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SECTION 1. Section 2 of Chapter 398 of the Statutes of 1973 is amended to read:

Sec. 2. Any permit issued under this act shall be on an experimental basis until its impact on the fishery resource can be ascertained and, therefore, this act shall be applicable only to the waters of the Elk Creek which is tributary to the Pacific Ocean approximately two miles south of the town of Elk and contained within Mendocino County and to the waters of the Davenport Landing Creek which is contained in the County of Santa Cruz and located near the town of Davenport Landing.

SEC. 2. Section 3 of Chapter 398 of the Statutes of 1973 is amended to read:

Sec. 3. On July 1, 1979, the department shall report to the commission on any permit granted pursuant to this act, together with any recommendations relating to the subject matter of this act.

CHAPTER 368

An act to add Section 31641.04 to the Government Code, relating to the County Employees Retirement Law of 1937, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 31641.04 is added to the Government Code, to read:

31641.04. (a) When the board of supervisors, by resolution, determines that because of an impending curtailment of service or change in the manner of performing service, savings of money, or other economic benefit resulting to the county, the best interests of the county would be served, a member shall be eligible to receive additional service credit if the following conditions exist:

(1) The member is employed in a job classification, county department, or other county organizational unit included in the resolution adopted by the board of supervisors.

(2) The member retires on or between dates specified by the board of supervisors in its resolution. In no event shall the specified period exceed 180 days.

(3) The county transmits to the retirement fund an amount determined by the board of retirement which is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and the amount he would have received without such service credit. The transfer to the retirement fund shall be made in a manner and time period acceptable to the county and the board of retirement.

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(b) The amount of service credit shall be such amount as the board of supervisors determines but shall not be more than two years regardless of credited service and shall not exceed the number of years intervening between the date of the member's retirement and the date the member would be required to be retired because of age.

(c) A county which elects to make the payment prescribed by subdivision (a) shall make such payment with respect to all eligible employees who retire during the period specified by the board of supervisors.

(d) This section shall not be applicable to any member otherwise eligible if such member receives any unemployment insurance payments during the period six months prior to the period specified pursuant to subdivision (a) or any period after his retirement.

(e) This section shall not be applicable in any county until it is adopted by ordinance of the board of supervisors. Any county may adopt or readopt this section from time to time as conditions may warrant. This section shall not apply to any district whose employees are members of the system pursuant to Section 31557.

(f) Any member who qualifies under this section upon subsequent reentry to county employment shall forfeit the service credit acquired under this section.

SEC. 2. Section 31641.04 shall remain in effect only until January 1, 1979, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1979, deletes or extends such date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act must take effect immediately in order that counties may at the earliest possible time encourage the retirement of senior employees and thereby avoid the expense, delay, and hardship to local employees which will occur if mandatory transfer, layoff or demotion becomes necessary.

CHAPTER 369

An act to amend Sections 1411 and 1418 of the Penal Code, relating to property and evidence in criminal cases.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

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SECTION 1. Section 1411 of the Penal Code is amended to read:

1411. If the ownership of the property stolen or embezzled and the address of the owner can be reasonably ascertained, the peace officer who took custody of the property shall notify the owner by letter of the location of the property and the method by which the owner may obtain it. Such notice shall be given upon the conviction of a person for an offense involving the theft, embezzlement or possession of such property, or if a conviction was not obtained, upon the making of a decision by the district attorney not to file the case or upon the termination of the proceedings in the case. Except as provided in Section 516 of the Welfare and Institutions Code, if the property stolen or embezzled is not claimed by the owner before the expiration of three months after the giving of such notice, or, in any case in which no such notice was given, before the expiration of six months from the conviction of a person for an offense involving the theft, embezzlement or possession of such property, or if a conviction was not obtained, then from the time the property came into the possession of the peace officer or the case involving the person from whom it was obtained is disposed of, whichever is later, the magistrate or other officer having it in custody must, on the payment of the necessary expenses incurred in its preservation, deliver it to the county treasurer or other proper county officer, by whom it must be sold and the proceeds paid into the county treasury. If such property is transferred to the county purchasing agent it may be sold in the manner provided by Article 7 (commencing with Section 25500) of Chapter 5 of Part 2 of Division 2 of Title 3 of the Government Code for the sale of surplus personal property. If the county officer determines that any such property transferred to him for sale is needed for a public use, such property may be retained by the county and need not be sold.

SEC. 2. Section 1418 of the Penal Code is amended to read:

1418. If the ownership of such exhibits and the address of the owner can be reasonably ascertained, the court shall notify the owner of the location thereof and the method by which the owner may obtain such exhibits. Such notice shall be given at the time the conviction, or, if none, the judgment or other termination of the proceedings, becomes final. After the expiration of three months from the time such notice is given, the court may, on application of the party entitled thereto, or an agent designated in writing by the owner, order all such exhibits, other than documentary exhibits, as may be released from the custody of the court without prejudice to the state, delivered to such party; provided, however, where the action or proceeding has resulted in an order granting probation, such delivery may be made any time after the final determination of an appeal of such order, taken under the provisions of Section 1237, or after the time for such appeal has elapsed but in no case sooner than the expiration of three months. In all cases in which the death penalty has been imposed no such order shall be made until the sentence of death has been carried out. If the party entitled to such

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exhibits is unknown, or fails to apply for the return of such exhibits, the procedure for their disposition shall be as follows:

After the expiration of six months from the time the conviction becomes final, or if the action or proceeding has not resulted in a conviction, at any time after the judgment has become final, the court in which the case was tried shall make an order specifying what exhibits may be released from the custody of the court without prejudice to the state. Upon receipt of such an order, the clerk of the court shall transfer the property to the county purchasing and stores agency or other proper county agency for sale to the public.

At any time prior to the time fixed for the transfer, the owner or any person entitled to the possession of any of such exhibits may obtain from the court an order returning them to him.

Articles not returned to their owners or to persons entitled to their possession at or prior to the time set for the transfer shall be sold by the proper receiving agency for cash; said articles shall be sold singly or in combinations. The money received from such sales shall be placed in the general fund of the county.

Where the exhibit consists of money or currency and is unclaimed at the time of the transfer, the clerk shall not transfer it but shall immediately deposit it in the general fund of the county.

If any property is transferred to the county purchasing agent pursuant to this section it may be sold in the manner provided by Article 7 (commencing with Section 25500) of Chapter 5 of Part 2 of Division 2 of Title 3 of the Government Code for the sale of surplus personal property. If the county purchasing and stores agency or other proper county agency determines that any such property transferred to it for sale is needed for a public use, such property may be retained by the agency and need not be sold.

CHAPTER 370

An act providing for the transfer of real property by the state.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. The Department of Parks and Recreation shall offer to transfer to the City of Ventura, also referred to as the City of San Buenaventura, the following described real property:

That portion of the Addition to the Town of San Buenaventura, in the City of San Buenaventura, County of Ventura, State of California, as per map recorded in Book 2,. page 142 of Miscellaneous Records in the Office of the County Recorder of said Ventura County, described as follows:

Beginning on the 6th course of Parcel Two of that land conveyed

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to the State of California per deed recorded October 29, 1948, in Book 844, page 485 of Official Records of said Ventura County, said point being at the northwesterly terminus of Course No. 1 of Parcel One of that land conveyed to the Department of Public Works of the State of California as per deed recorded September 29, 1959, in Book 1782, page 357 of Official Records of said Ventura County; thence along the boundary of said Parcel Two by the following eight courses,

1st: North 67° 09′ East 64.35 feet; thence,

2nd: North 39° 59′ East 129.66 feet; thence,

3rd: North 84° 02′ East 88.56 feet; thence,

4th: North 51° 35′ 30″ East 167.77 feet; thence,

5th: North 13° 04′ 20″ East 77.52 feet; thence,

6th: North 64° 35′ East to the southerly line of the Southern Pacific Railroad Company right-of-way, 300 feet wide; thence,

7th: Easterly along said southerly right-of-way line to its intersection with course No. 18 of Rancho San Miguel as shown in Book 1, page 134 of Deeds of said Ventura County; thence,

8th: South 44° 00′ West along said course No. 18 to its intersection with course No. 2 of Parcel One of said deed recorded in Book 1782, page 357 of Official Records; thence along said courses numbered 2 and 1 of said deed,

9th: North 40° 38′ 08″ West to the northwesterly terminus of said course number 2; thence,

10th: North 49° 03′ 05″ West 52.01 feet to the point of beginning.

Provided, however, that such transfer shall be subject to the following conditions, which shall be specified in the deed or other instrument of conveyance:

(a) The city shall agree to retain, in perpetuity, ownership and control of the real property and to maintain a nonexclusive right-of-way across the real property for the purpose of egress and ingress to adjoining private property, and if the city does not so retain ownership and control or maintain such right-of-way, title to the real property shall revert to the state.

(b) There shall be reserved in the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove such deposits; but such right shall be limited to those areas of the property transferred which the Director of General Services determines to be reasonably necessary for the removal of such deposits.

SEC. 2. The transfer of surplus property under this act is necessary to provide proper and adequate egress and ingress to other property for the City of Ventura in the performance of its functions and to the public at large.

Such property was part of a larger beach property which the city earlier deeded to the state.

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CHAPTER 371

An act to add Section 14411.1 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 14411.1 is added to the Welfare and Institutions Code, to read:

14411.1. Notwithstanding Section 14411, prospective enrollees may be solicited on county premises if the county is a prepaid health plan carrier.

CHAPTER 372

An act to amend Sections 76013 and 76016 of the Government Code, relating to courts.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 76013 of the Government Code is amended to read:

76013. In a county of the 13th class, for acting as a grand juror for each day's attendance upon regularly called grand jury meetings, committee meetings, or when appointed by the foreman of a grand jury to make individual investigations, each juror shall be allowed fifteen dollars ($15). For every mile actually traveled as a grand juror in attending court, grand jury meetings, regularly called committee meetings, or when properly appointed by the foreman of the grand jury to make individual investigations, grand jurors shall receive the current rate for mileage reimbursement being paid to Ventura County employees, for each mile actually traveled.

SEC. 2. Section 76016 of the Government Code is amended to read:

76016. In a county of the 16th class, grand jurors, for each day's attendance including each day's attendance at committee meetings, upon the order of the grand jury, shall receive fifteen dollars ($15), trial jurors in the superior court, six dollars ($6), and trial jurors in the justice court, six dollars ($6) for each day's attendance; provided, that trial jurors shall receive ten dollars ($10) per day for each day's attendance if sitting on the jury at the commencement of trial. In addition, for attending court as a juror, each juror shall receive necessary expenses and thirteen cents ($0.13) for each mile actually

traveled, and for attending meetings of the grand jury or its committee meetings each grand juror shall receive necessary expenses and fifteen cents ($0.15) for each mile actually traveled.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act, because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 373

An act to add Sections 11705.5 and 11713.6 to the Vehicle Code, relating to mobilehomes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 11705.5 is added to the Vehicle Code, to read:

11705.5. The department, after notice and hearing, may suspend or revoke the license issued to a mobilehome dealer upon determining that the person to whom the license was issued has committed any of the following acts:

(a) While acting under the authority of Section 11713.6, entered into an exclusive listing agreement that did not include a specified date upon which the agreement was to terminate.

(b) While acting under the authority of Section 11713.6, claimed or took any secret or undisclosed amount of compensation, commission, fee, or profit or fails to divulge to his principal the full amount of such compensation, commission, fee, or profit prior to, or at the time that, a contractual agreement is signed whereby all parties involved, after negotiation, have come to terms; provided, however, that this section shall not be construed to require the disclosure of any exclusive financial arrangements agreed upon between the mobilehome dealer and any financial institution with regard to financial arrangements applicable solely to them.

(c) While acting under the authority of Section 11713.6, used any provision allowing an option to purchase in an agreement authorizing or employing such mobilehome dealer to sell, buy, or exchange mobilehomes for compensation or commission, except when such mobilehome dealer, prior to or coincident with the election to exercise such option to purchase, reveals in writing to the employer the full amount of a mobilehome dealer's profit and obtains the written consent of the employer approving the amount of such profit.

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SEC. 2. Section 11713.6 is added to the Vehicle Code, to read:

11713.6. A mobilehome dealer may solicit or obtain listings of, engage in the multiple listing with other licensed mobilehome dealers of, or engage in payments to another mobilehome dealer, dealers, or multiple groups of dealers, pursuant to cooperative brokering and referral arrangements, or agreements on the sale of, any used mobilehome which has been registered under the authority of this code for at least one year.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act is intended to clarify the law regarding the sale of mobilehomes by a vehicle dealer and to prevent undue hardship with respect to such dealers and to provide consumer protection by imposing requirements regarding contractual agreements and the disclosure of certain information.

In order that this may be accomplished at the earliest possible time, it is necessary that this act take immediate effect.

CHAPTER 374

An act to amend Section 9891.2 of the Business and Professions Code, relating to tax preparers.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 9891.2 of the Business and Professions Code is amended to read:

9891.2. The following persons are exempt from the requirements of this chapter:

(a) Any person regulated by the State Board of Accountancy.

(b) Any person who is a member of the State Bar of California.

(c) Any trust company or trust business as defined in Chapter 1 (commencing with Section 99) of Division 1 of the Financial Code.

(d) Banks regulated by the state or federal government.

(e) Any person who is authorized to practice before the Internal Revenue Service pursuant to Subpart A (commencing with Section 10.1) of Part 10 of Title 31 of the Code of Federal Regulations.

(f) Any partnership in which every partner is authorized to practice before the Internal Revenue Service pursuant to Subpart A (commencing with Section 10.1) of Part 10 of Title 31 of the Code of Federal Regulations.

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CHAPTER 375

An act to amend Sections 10002, 10002.5, 10080, and 10150.6 of, to repeal and add Article 1 (commencing with Section 10050) of Chapter 2 of Part 1 of Division 4 of, and to repeal the heading of Article 2 (commencing with Section 10070) of Chapter 2 of Part 1 of Division 4 of, the Business and Professions Code, relating to real estate.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 10002 of the Business and Professions Code is amended to read:

10002. "Commission" refers to the Real Estate Advisory Commission.

SEC. 2. Section 10002.5 of the Business and Professions Code is amended to read:

10002.5. "Member" refers to a member of the Real Estate Advisory Commission.

SEC. 3. Article 1 (commencing with Section 10050) of Chapter 2 of Part 1 of Division 4 of the Business and Professions Code is repealed.

SEC. 4. Article 1 (commencing with Section 10050) is added to Chapter 2 of Part 1 of Division 4 of the Business and Professions Code, to read:

Article 1. The Real Estate Commissioner

10050. There is in the Business and Transportation Agency a Department of Real Estate, the chief officer of which department is named the Real Estate Commissioner.

It shall be the principal responsibility of the commissioner to enforce all laws in this part (commencing with Section 10000) and Chapter 1 (commencing with Section 11000) of Part 2 of this division in a manner which achieves the maximum protection for the purchasers of real property and those persons dealing with real estate licensees.

10051. The commissioner shall be appointed by the Governor.

10052. The commissioner shall have been for five years a real estate broker actively engaged in business as such in California, or shall possess related experience associated with real estate activity in California for five years within the last 10 years.

10053. The commissioner shall receive an annual salary as provided in Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code, to be paid monthly out of the State Treasury upon a warrant of the Controller, and shall

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be allowed his actual and necessary expenses in the discharge of his duties.

10054. The commissioner shall appoint a Real Estate Advisory Commission comprising eight members, five of whom shall be real estate brokers licensed under this part and three of whom shall be public members. The commissioner shall preside at commission meetings.

The members shall serve without compensation but each shall be allowed his actual and necessary expenses in the discharge of his duties.

10055. The commissioner shall meet and consult and advise with the commission on the functions and policies of the department and how it may best serve the people of the state and recognize the legitimate needs of the industry which it regulates and the licensees of the department. At such meetings the views and suggestions of the public and of the licensees of the department shall be solicited.

10056. The commission may make such recommendations and suggestions of policy to the commissioner as it deems beneficial and appropriate.

10057. The commissioner shall call meetings of the commission at least four times each year and written notice of the time and place of each meeting shall be given to the members and such other persons as shall have requested notice at least 10 days before such meeting.

10058. The meetings of the commission are subject to the provisions of Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

10060. All records of the commission shall be open to inspection by the public during regular office hours, except as otherwise provided by law.

SEC. 5. The heading of Article 2 (commencing with Section 10070) of Chapter 2 of Part 1 of Division 4 of the Business and Professions Code is repealed.

SEC. 6. Section 10080 of the Business and Professions Code is amended to read:

10080. The commissioner may adopt, amend, or repeal such rules and regulations as are reasonably necessary for the enforcement of the provisions of this part and of Chapter 1 (commencing with Section 11000) of Part 2 of this division. Such rules and regulations shall be adopted, amended, or repealed in accordance with the provisions of the Administrative Procedure Act. In addition to other notices required by law, the commissioner shall notify the Real Estate Advisory Commission of his intention to adopt rules and regulations at least 30 days prior to such adoption.

SEC. 7. Section 10150.6 of the Business and Professions Code is amended to read:

10150.6. The Real Estate Commissioner shall not grant an original real estate broker's license to any person who has not held a real estate salesman's license for at least two years and qualified for

renewal real estate salesman status, within the five-year period immediately prior to the date of his application for the broker's license, and during such time was not actively engaged in the business of real estate salesman, except that an applicant for a real estate broker's license having at least the equivalent of two years' general real estate experience or graduation from a four-year college or university course, which course included specialization in real estate, files a written petition with the Department of Real Estate setting forth his qualifications and experience, and the commissioner approves, he may be issued a real estate broker's license immediately upon passing the examination and satisfying the other requirements of this article.

CHAPTER 376

An act to amend Section 1203.2a of the Penal Code, relating to probation.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 1203.2a of the Penal Code is amended to read:

1203.2a. If any defendant who has been released on probation is committed to a prison in this state for another offense, the court which released him on probation shall have jurisdiction to impose sentence, if no sentence has previously been imposed for the offense for which he was granted probation, in the absence of the defendant, on the request of the defendant made through his counsel, or by himself in writing, if such writing is signed in the presence of the warden or superintendent of the prison in which he is confined or the duly authorized representative of the warden or superintendent, and such warden or superintendent or his representative attests both that the defendant has made and signed such request and that he states that he wishes the court to impose sentence in the case in which he was released on probation, in his absence and without his being represented by counsel.

The probation officer may, upon learning of such defendant's imprisonment, and must within 30 days after being notified in writing by the defendant or his counsel, or the warden or superintendent or duly authorized representative of the prison in which the defendant is confined, report such commitment to the court which released him on probation.

Upon being informed by the probation officer of the defendant's confinement, or upon receipt from the warden, superintendent or duly authorized representative of any prison in this state of a

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certificate showing that the defendant is confined in prison, the court shall issue its commitment if sentence has previously been imposed. If sentence has not been previously imposed and if the defendant has requested the court through counsel or in writing in the manner herein provided to impose sentence in the case in which he was released on probation in his absence and without the presence of counsel to represent him, the court shall impose sentence and issue its commitment, or shall make other final order terminating its jurisdiction over the defendant in the case in which the order of probation was made. If the case is one in which sentence has previously been imposed, the court shall be deprived of jurisdiction over defendant if it does not issue its commitment or make other final order terminating its jurisdiction over defendant in the case within 60 days after being notified of the confinement. If the case is one in which sentence has not previously been imposed, the court is deprived of jurisdiction over defendant if it does not impose sentence and issue its commitment or make other final order terminating its jurisdiction over defendant in the case within 30 days after defendant has, in the manner prescribed by this section, requested imposition of sentence.

Upon imposition of sentence hereunder the commitment shall be dated as of the date upon which probation was granted and if the defendant is then in a state prison for an offense committed subsequent to the one upon which he has been on probation, the term of imprisonment of such defendant under a commitment issued hereunder shall commence upon the date upon which defendant was delivered to prison under commitment for his subsequent offense, unless the court shall order that the sentence for the prior offense shall commence upon termination of the sentence for said subsequent offense. In the event the probation officer fails to report such commitment to the court or the court fails to impose sentence as herein provided, the court shall be deprived thereafter of all jurisdiction it may have retained in the granting of probation in said case.

CHAPTER 377

An act to amend Section 23802 of the Education Code, relating to education.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

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SECTION 1. Section 23802 of the Education Code is amended to read:

23802. Notwithstanding any provision of law to the contrary, except as provided pursuant to Section 23754.5 with respect to nonresident students who are citizens and residents of a foreign country and who are not citizens of the United States, student body organization membership fees authorized under the provisions of Section 23801 hereof shall be collected by the officials of the campus of the California State University and Colleges, together with all tuition and material and service fees, at the time of registration, except where a student loan or grant from a recognized training program or student aid program has been delayed and there is reasonable proof that the funds will be forthcoming. Exception may also be made where changes are made during the change of program period which result in a higher fee category than paid at the time of registration. All unexpended funds and money collected on behalf of or by student body organizations, except funds and money collected from commercial services as provided in Section 24057, shall, with the approval of an appropriate officer of the student body organization, be deposited in trust by the chief fiscal officer of the campus and such money shall, subject to the approval of the trustees, be deposited or invested in any one or more of the following ways:

(a) Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the California State University and Colleges Trust Fund or in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in the state-chartered savings and loan associations and savings accounts of federal savings and loan associations, provided such associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation; and provided further that any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by such insurance.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the State Treasurer in those securities.

(d) Participation in funds which are exempt from federal income tax pursuant to Section 501 (c) (3) of the Internal Revenue Code and which are open exclusively to nonprofit colleges, universities, and independent schools.

All moneys received by a state university or college from any agency of the state or federal government for the payment of student body organizations membership fees of students attending the university or college shall be deposited or invested as provided above.

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CHAPTER 378

An act to amend Section 16480.4 of the Government Code, relating to state funds.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 16480.4 of the Government Code is amended to read:

16480.4. (a) Amounts available for investment under this article may be invested and reinvested by the State Treasurer in any securities described in Section 16430 of this code or in loans to the General Fund as provided in Section 16310 of this code. Such securities may be sold by the State Treasurer or exchanged by him for other securities of the kind authorized to be purchased hereunder, if, in his discretion, such sale or exchange appears to be in the best interests of the state. The State Treasurer may enter into repurchase agreements or reverse repurchase agreements of any securities described in Section 16430.

(b) The State Treasurer may hire or engage the services of an investment analyst to assist in such investment decisions.

(c) For purposes of this section, the term "repurchase agreement" means a purchase of securities by the State Treasurer pursuant to an agreement by which the seller will repurchase such securities on or before a specified date and for a specified amount.

(d) For purposes of this section, the term "reverse repurchase agreement" means a sale of securities by the State Treasurer pursuant to an agreement by which the State Treasurer will repurchase such securities on or before a specified date and for a specified amount.

CHAPTER 379

An act to amend Section 2147 of the Business and Professions Code, relating to medicine.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 2147 of the Business and Professions Code is amended to read:

2147. Nothing in this chapter shall be construed to prevent a student regularly matriculated in any legally chartered school approved by the board, or to prevent a foreign medical student who

is enrolled in a California medical school or clinical training program approved by the board from treating the sick or afflicted whenever and wherever prescribed as a part of his course of study.

CHAPTER 380

An act to amend Section 4801.5 of the Civil Code, relating to spousal support.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 4801.5 of the Civil Code is amended to read:

4801.5. (a) Except as otherwise agreed to by the parties in writing, there shall be a rebuttable presumption, affecting the burden of proof, of decreased need for support if the supported party is cohabiting with a person of the opposite sex. Upon such a finding of changed circumstances, the court may modify the payment of support as provided for in subdivision (a) of Section 4801.

(b) Holding oneself out to be the husband or wife of the person with whom one is cohabiting is not necessary to constitute cohabitation as the term is used in this section.

(c) Nothing in this section shall preclude later modification of support upon proof of change of circumstances.

CHAPTER 381

An act making an appropriation to the State Board of Control to pay claims against the state, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. The sum of five hundred fifty-eight thousand six hundred ninety-two dollars and twenty-six cents ($558,692.26) is hereby appropriated from the following funds to the State Board of Control to pay claims against the state:

General Fund	$157,010.33
State Transportation Fund	
Motor Vehicle Account	13,590.84
State Highway Account	25,043.75

Transportation Tax Fund	
Motor Vehicle Account	1,192.00
Motor Vehicle License Fee Account	6,732.00
Motor Vehicle Fuel Account	63.73
Health Care Deposit Fund	330,002.45
Fish and Game Preservation Fund	1,170.80
Harbors and Watercraft Revolving Fund	19,786.10
Real Estate Fund	122.50
Savings and Loan Inspection Fund	64.00
Special Deposit Fund	5.00
Unemployment Fund	5.66
Unemployment Administration Fund	2,266.72
Unemployment Compensation Disability Fund	593.38
Water Resources Revolving Fund	368.00
Contingency Fund, Board of Medical Examiners	675.00
Total	$558,692.26

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

In order to settle claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 382

An act to amend Sections 13950, 13951, and 25305 of the Government Code, relating to carpools.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. The Legislature hereby finds and declares that:

(a) Increased energy consumption, air pollution, traffic congestion and parking constitute a serious problem in the State of California, particularly in urban areas.

(b) The increased use of carpools and vanpools will contribute to conservation of fuel, improvement of air quality, and more effective use of existing streets, highways and parking facilities.

(c) Carpools and vanpools constitute one of the most cost-effective and energy-efficient modes of transportation.

(d) Cities, counties and the state employ a large number of people, many of whom work in, and commute to, urban areas where

the problems associated with traffic congestion, parking, energy consumption and air pollution are greatest.

(e) It is in the public interest, and a public purpose, for cities, counties and the state to provide a carpool and vanpool program for their employees. It is therefore the purpose of this act to provide the authority for cities and counties to establish carpool and vanpool programs.

SEC. 2. Section 13950 of the Government Code is amended to read:

13950. State-owned motor vehicles shall be used only in the conduct of state business. State business shall include the operation of state-owned vehicles as commute vehicles in a carpool or vanpool program authorized by a state agency, provided that a daily, weekly, or monthly fee is charged that is adequate to reimburse the state for the cost of providing such vehicles for such purpose. No state officer or employee shall use, or permit the use of, any state-owned motor vehicle other than in the conduct of state business.

SEC. 3. Section 13951 of the Government Code is amended to read:

13951. The State Board of Control shall prescribe rules and regulations which:

(a) Define the use of state-owned motor vehicles which constitutes use in the conduct of state business and distinguish such use from misappropriation for private use;

(b) Prescribe the procedure for determining and collecting from the employee responsible for the misuse the actual costs to the state attributable to misuse of state-owned motor vehicles and the disposition of such collections;

(c) Prescribe the records and reports to be kept and made by state agencies relating to the use of state-owned motor vehicles to the end that misuse may be discovered with a minimum of recordkeeping;

(d) Govern the storage of state-owned motor vehicles in those locations where storage space, under the jurisdiction of the Department of General Services, is available for storage of state-owned motor vehicles;

(e) Prescribe the procedures to be used in the operation of state-owned vehicles as commute vehicles in a state carpool or vanpool program.

SEC. 4. Section 25305 of the Government Code is amended to read:

25305. When in its judgment the public interest requires, the board may purchase automobiles for the use of county officers and county employees whose duties require frequent trips on county business. By ordinance the board shall adopt rules and regulations governing the use of the automobiles and the imposition of proper penalties upon any person driving, operating, or using the automobiles contrary to the rules and regulations of the board. The board may purchase necessary automobiles and assign them to county boards and commissions or members thereof whose duties

require frequent and adequate transportation in and about the county on county business.

County business shall include the operation of county-owned or county-leased vehicles as commute vehicles in a carpool or vanpool program authorized by the county for county employees, provided that a daily, weekly, or monthly fee is charged that is adequate to reimburse the county for all costs of providing, operating and maintaining vehicles for such purpose. The board of supervisors shall establish rules, regulations and procedures to be used in the operation of county-owned or county-leased vehicles in a county carpool or vanpool program for county employees.

The use of automobiles provided by the county pursuant to this section is in lieu of any other mileage allowed by law. The board may allow officers and employees using county automobiles their actual and necessary expenses when traveling on county business.

CHAPTER 383

An act to amend Section 4205.1 of the Civil Code, relating to commissioner of civil marriages.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 4205.1 of the Civil Code is amended to read:

4205.1. In any county with a population of 100,000 or more as determined by the last federal decennial census the board of supervisors of the county may designate the county clerk as a commissioner of civil marriages. The commissioner of civil marriages may appoint deputy commissioners of civil marriages who may solemnize marriages in his county under the direction of the commissioner of civil marriages and shall perform such other duties as the commissioner may direct. The commissioner of civil marriages and his deputy commissioners shall solemnize marriages only within their county and only during regular hours established by the board.

This section shall not be operative at any time in a county with a population of 100,000 or more as determined by the last federal decennial census except during such period or periods as the board of supervisors may find by resolution that conditions in the county are such that the convenience of the public requires the availability of commissioners of civil marriages for the solemnization of marriage by civil ceremony. The board of supervisors which has made such a finding may, by resolution, at any time rescind or repeal such finding and this section shall no longer be operative in that county until the board again makes such a finding.

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CHAPTER 384

An act to add Section 24156 to the Government Code, relating to counties.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 24156 is added to the Government Code, to read:

24156. The board of supervisors of any county may, by resolution, adopt a program of self-insurance in lieu of bonds for any officer or employee employed by such county, or for the officers or employees of any district, the governing board of which is the board of supervisors of the county adopting the resolution, or for any officer or attaché of any court supported in whole or in part by the adopting county. After the resolution is adopted, any or all requirements of law with respect to faithful performance or revolving fund bonds shall be inapplicable to such county, district or court or any officer or employee thereof; provided, however, that such a county shall provide for self-insurance, the amount of which shall be determined pursuant to the provisions of Sections 1480, 1481, 24150 and 24151.

CHAPTER 385

An act to add Section 69745.5 to the Government Code, relating to courts.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 69745.5 is added to the Government Code, to read:

69745.5. A session of the superior court may be held for a period not exceeding two weeks in any month at any location within the county, not less than 55 miles from the site of the county courthouse, with the permission of the county board of supervisors and the approval of either the presiding judge or the majority of the judges of such court, except that such two-week period may be extended as necessary to complete any trial or hearing which is in progress and is not completed within the initial two-week period.

CHAPTER 386

An act to add Section 256 to, and to add Chapter 5 (commencing with Section 800) to Division 1 of, and to add Chapter 4 (commencing with Section 1300) to Division 1.5 of, the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 256 is added to the Elections Code, to read:

256. The provisions of this article shall be applicable to all elections conducted within the state, except for federal elections as defined in Section 801.

SEC. 2. Chapter 5 (commencing with Section 800) is added to Division 1 of the Elections Code, to read:

CHAPTER 5. FEDERAL ELECTIONS

800. It is the intent and purpose of the Legislature that the provisions set forth in this chapter are designed to facilitate the federal mandate of the Overseas Citizens Voting Rights Act of 1975 (Public Law 94-203).

801. As used in this chapter, "federal election" means any presidential election, general election, primary election, or special election held solely or in part for the purpose of selecting, nominating, or electing any candidate for the office of President, Vice President, presidential elector, Member of the United States Senate, or Member of the United States House of Representatives.

802. Notwithstanding any other provision of the law to the contrary, the provisions set forth in this chapter shall govern the voter registration and voting of a person in any federal election if such person (a) resides outside of the United States, and (b) was domiciled in California immediately prior to his departure from the United States.

803. Each citizen residing outside the United States shall have the right to register absentee for, and to vote by, an absentee ballot in any federal election in the state, or in any precinct of the state in which he was last domiciled immediately prior to his departure from the United States and in which he would have met all qualifications to vote in federal elections under the laws of this state, even though while residing outside the United States he does not have a place of abode or other address in this state or in a precinct of this state, and his intent to return to this state or to a precinct in this state may be uncertain, if such person meets the following requirements:

(a) He has complied with all applicable requirements, which are

consistent with this chapter, concerning absentee registration for, and voting by, absentee ballots;

(b) He does not maintain a domicile, is not registered to vote, and is not voting in any other state or precinct of a state or territory or in any territory or possession of the United States; and

(c) He has a valid passport or card of identity and registration issued under the authority of the Secretary of State of the United States.

804. Whenever any person described in Section 803 intends to vote in a federal election and applies in writing or in person to the clerk of the county in which such person was last domiciled prior to his departure from the United States, the clerk shall mail to the applicant with the absent voter's ballot, if such ballots are available, or deliver to him a blank affidavit of registration or voter registration card as set forth in Section 321. Affidavits of registration, mailed or delivered pursuant to this section shall be modified, pursuant to regulations adopted by the Secretary of State, to reflect the requirements of this chapter.

805. If the applicant is delivered or receives both a voter registration card and an absent voter's ballot he shall, before marking the absent voter's ballot, execute the voter registration card, and return the voter registration card together with the subsequently completed absent voter ballot in the identification envelope, to the clerk from whom they were received.

806. If the applicant receives only a voter registration card, he shall complete it and return it to the county clerk. The county clerk or his deputy shall accept all affidavits of registration executed pursuant to this chapter except during the 28 days immediately prior to a federal election, when registration shall cease for that election.

807. The county clerk upon receipt of the affidavit of registration and within the time required by Section 806, shall examine the affidavit of registration and if it appears therefrom that the affidavit of registration is properly executed and that the facts stated therein are in conformance with the provisions of this chapter, the affiant shall be deemed a duly registered elector as of the date of receipt of the affidavit to the same extent and with the same effect as though he had registered before the clerk in proper time prior to the federal election.

808. If an affidavit of registration is rejected, it shall be returned to the applicant with the reason for rejection endorsed on it, together with a new voter registration card; and if an absent voter ballot is included with the rejected affidavit of registration, it shall be canceled.

809. Except as provided in this chapter, the county clerk shall provide each person registering pursuant to this chapter with the same services that are rendered to absent voters as provided in Chapter 4 (commencing with Section 14600) of Division 9. Any elector registering pursuant to this chapter shall vote by absent voter's ballot and such person shall be deemed a regularly registered

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voter for purposes of voting in any federal election. Absent voters' ballots, mailed to a voter pursuant to this section, shall be modified, pursuant to regulations adopted by the Secretary of State, to reflect the fact that such a voter may only vote for a candidate to federal office.

810. All absentee ballots executed pursuant to this chapter shall be received by the county clerk not later than 8 o'clock p.m. on the day of a federal election.

SEC. 3. Chapter 4 (commencing with Section 1300) is added to Division 1.5 of the Elections Code, to read:

CHAPTER 4. FEDERAL ELECTIONS

1300. It is the intent and purpose of the Legislature that the provisions set forth in this chapter are designed to facilitate the federal mandate of the Overseas Citizens Voting Rights Act of 1975 (Public Law 94-203).

1301. As used in this chapter, "federal election" means any presidential election, general election, primary election, or special election held solely or in part for the purpose of selecting, nominating, or electing any candidate for the office of President, Vice President, presidential elector, Member of the United States Senate, or Member of the United States House of Representatives.

1302. Notwithstanding any other provision of the law to the contrary, the provisions set forth in this chapter shall govern the voter registration and voting of a person in any federal election if such person (a) resides outside of the United States, and (b) was domiciled in California immediately prior to his departure from the United States.

1303. Each citizen residing outside the United States shall have the right to register absentee for, and to vote by, an absentee ballot in any federal election in the state, or in any precinct of the state in which he was last domiciled immediately prior to his departure from the United States and in which he would have met all qualifications to vote in federal elections under the laws of this state, even though while residing outside the United States he does not have a place of abode or other address in this state or in a precinct of this state, and his intent to return to this state or to a precinct in this state may be uncertain, if such person meets the following requirements:

(a) He has complied with all applicable requirements, which are consistent with this chapter, concerning absentee registration for, and voting by, absentee ballots;

(b) He does not maintain a domicile, is not registered to vote, and is not voting in any other state or precinct of a state or territory or in any territory or possession of the United States; and

(c) He has a valid passport or card of identity and registration issued under the authority of the Secretary of State of the United States.

1304. Whenever any person described in Section 1303 intends to

vote in a federal election and applies in writing or in person to the clerk of the county in which such person was last domiciled prior to his departure from the United States, the clerk shall mail to the applicant with the absent voter's ballot, if such ballots are available, or deliver to him a blank affidavit of registration or voter registration card as set forth in Section 506. Affidavits of registration, mailed or delivered pursuant to this section shall be modified, pursuant to regulations adopted by the Secretary of State, to reflect the requirements of this chapter.

1305. If the applicant is delivered or receives both a voter registration card and an absent voter's ballot he shall, before marking the absent voter's ballot, execute the voter registration card, and return the voter registration card together with the subsequently completed absent voter ballot in the identification envelope, to the clerk from whom they were received.

1306. If the applicant receives only a voter registration card, he shall complete it and return it to the county clerk. The county clerk or his deputy shall accept all affidavits of registration executed pursuant to this chapter except during the 28 days immediately prior to a federal election, when registration shall cease for that election.

1307. The county clerk upon receipt of the affidavit of registration and within the time required by Section 1306, shall examine the affidavit of registration and if it appears therefrom that the affidavit of registration is properly executed and that the facts stated therein are in conformance with the provisions of this chapter, the affiant shall be deemed a duly registered elector as of the date of receipt of the affidavit to the same extent and with the same effect as though he had registered before the clerk in proper time prior to the federal election.

1308. If an affidavit of registration is rejected, it shall be returned to the applicant with the reason for rejection endorsed on it, together with a new voter registration card; and if an absent voter ballot is included with the rejected affidavit of registration, it shall be canceled.

1309. Except as provided in this chapter, the county clerk shall provide each person registering pursuant to this chapter with the same services that are rendered to absent voters as provided in this division. Any elector registering pursuant to this chapter shall vote by absent voter's ballot and such person shall be deemed a regularly registered voter for purposes of voting in any federal election. Absent voter's ballots, mailed to a voter pursuant to this section, shall be modified, pursuant to regulations adopted by the Secretary of State, to reflect the fact that such a voter may only vote for a candidate to federal office.

1310. All absentee ballots executed pursuant to this chapter shall be received by the county clerk not later than 8 o'clock p.m. on the day of a federal election.

SEC. 5. Section 3 of this act shall only become operative if Assembly Bill No. 2606 of the 1975–76 Regular Session of the

Legislature is also chaptered and A.B. 2606 adds Division 1.5 (commencing with Section 1000) to the Elections Code. If A.B. 2606 is also chaptered, adding Division 1.5 (commencing with Section 1000) to the Elections Code, Sections 1 and 2 of this act shall not become operative. Therefore, Sections 1 and 2 of this act shall only become operative if A.B. 2606 is not chaptered, and in which case Section 3 of this act shall not become operative.

SEC. 6. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act merely affirms for the state that which has been declared existing law through action of the federal government.

SEC. 7. This is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the November 1976, general election may be conducted in compliance with the Overseas Citizens Voting Act of 1975 (Public Law 94-203), it is necessary that this act go into immediate effect.

CHAPTER 387

An act to amend Section 16521 of the Education Code, relating to school property and equipment.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 16521 of the Education Code is amended to read:

16521. The governing board of a school district may pay in advance for postage stamps, admission tickets, permits and services provided by other governmental agencies, subscriptions to, or purchases or rentals of, newspapers, magazines, periodicals, single copies of books, films, filmstrips, recordings, and other publications, payments on leases of real property, and for the maintenance of equipment under agreements not exceeding one year for the district and the schools thereof when such action will result in a decrease in the cost to the district or which cannot be secured without payment in advance.

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CHAPTER 388

An act to amend Sections 11812 and 11818 of the Vehicle Code, relating to vehicle salesmen.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 11812 of the Vehicle Code is amended to read:

11812. (a) Every vehicle salesman shall, at time of employment, deliver to his employing dealer his salesman's license to be posted in a place conspicuous to the public on the premises where he is actually engaged in the selling of vehicles for the employing dealer.

(b) The license shall be displayed continuously during such employment. In the event a vehicle salesman's employment is terminated, the license shall be returned to the salesman.

(c) Every dealer shall notify the department immediately by mail of the employment or termination of a vehicle salesman.

SEC. 2. Section 11818 of the Vehicle Code is amended to read:

11818. It shall be unlawful and a cause for disciplinary action for the holder of any license issued under this article to do any of the following:

(a) Knowingly use or permit the use of special plates assigned to the employing dealer for any purpose other than permitted by Section 11715.

(b) Act as a dealer by purchasing and selling vehicles while employed by a licensed dealer without reporting the same to the dealer or utilizing the report of sale documents issued to the dealer.

(c) Act as a vehicle salesman or engage in such activity for, or on behalf of, more than a single person whose business does not have identical ownership and structure. Such activity shall be for a licensed dealer. Nothing contained in this section shall be deemed to restrict the number of dealerships of which a person may be an owner, officer, or director, nor to preclude a vehicle salesman from working at more than one location of such single dealer, if the business of such dealer has identical ownership and structure.

(d) Violate any of the provisions of Sections 11713 and 11713.1.

(e) Act as a vehicle salesman without having first complied with Section 11812.

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CHAPTER 389

An act to amend Sections 1132.4, 1135, and 1148 of, and to repeal Section 1151 of, the Education Code, relating to school board elections.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 1132.4 of the Education Code is amended to read:

1132.4. No signature may be affixed to the petition until the proponents have served, filed and published a notice of intention to circulate a recall petition, containing the name of the officer sought to be recalled and the title of his office, a statement in not more than 200 words of the grounds on which the recall is sought, and the name and address of at least one, but not more than five, proponents. The notice of intention shall be served, personally or by certified mail, on the officer sought to be recalled, and a copy thereof with a certificate of the time and manner of service shall be filed with the county clerk.

SEC. 2. Section 1135 of the Education Code is amended to read:

1135. Within seven days after the filing of the notice of intention, the officer sought to be recalled may file with the county clerk an answer in not more than 200 words to the statement of the proponents and, if an answer is filed, shall serve a copy thereof, personally or by certified mail, on one of the proponents named in the notice of intention. The statement and answer are intended solely for the information of the voters and no insufficiency in the form or substance thereof shall affect the validity of the election or proceedings.

Before any signature may be affixed to a recall petition, the petition shall bear a copy of the notice of intention, statement and answer of the officer sought to be recalled, if any. If the officer sought to be recalled has not answered, the petition shall so state.

SEC. 3. Section 1148 of the Education Code is amended to read:

1148. The county clerk shall mail to each registered voter within the district a sample ballot, and a pamphlet on which there shall be printed in not more than 200 words the statement of the grounds on which the recall is sought set forth in the recall petition. Upon the pamphlet there shall also be printed, in not more than 200 words, any statement submitted by the member sought to be recalled justifying his course in office.

SEC. 4. Section 1151 of the Education Code is repealed.

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CHAPTER 390

An act to amend Section 53856 of the Government Code, and Section 1361 of the Financial Code, relating to local agencies.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 53856 of the Government Code is amended to read:

53856. Any taxes, income, revenue, cash receipts, or other moneys of the local agency, including moneys deposited in inactive or term deposits, may be pledged to the payment of the note or notes and the interest thereon, except, however, that no moneys which, when received by the local agency, will be encumbered for a special purpose may be pledged for the payment of the note or notes or the interest thereon unless an equivalent amount of the proceeds from said note or notes is set aside for and used for said special purpose. The resolution authorizing the issuance of the note or notes shall specify what taxes, income, revenue, cash receipts or other moneys are pledged for the payment thereof. The note or notes and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the local agency from, such pledged moneys.

SEC. 2. Section 1361 of the Financial Code is amended to read:

1361. In notes with a maturity not exceeding 15 months after the date of issue, issued in anticipation of uncollected taxes, income, revenue, cash receipts and other moneys of the State of California or any city, county, city and county, or school district thereof; provided such notes and warrants and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the local agency from such pledged moneys; provided the total amount of such notes issued at any one time or during any specified period does not exceed 85 percent of such receipts or revenues.

In grant anticipation notes issued by such agencies and payable not later than 36 months after the date of issue, provided that the total amount or such notes and interest payable thereon issued at any one time or during any specified period does not exceed 80 percent of the grant funds stated in writing by the granting authority as committed, appropriated and shall be paid on a specified date or dates within a 36-month period from the dating of such notes.

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CHAPTER 391

An act to amend Sections 15821 and 53802 of the Government Code, relating to public buildings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 15821 of the Government Code is amended to read:

15821. Certificates issued pursuant to this part are negotiable instruments and are transferable between state agencies having jurisdiction over special or trust funds or between such state agencies and other persons at a price mutually agreed upon by such state agencies or by such state agencies and other persons.

SEC. 2. Section 53802 of the Government Code is amended to read:

53802. Certificates issued pursuant to this article are negotiable instruments and are transferable between local agencies and state agencies or between such agencies and other persons having jurisdiction over special or trust funds at a price mutually agreed upon by the agencies or by such agencies and other persons.

SEC. 3. It is the intent of the Legislature that certificates issued prior to the effective date of this act which are held by the Public Employees' Retirement System, or any other governmental agency, shall be negotiable instruments on and after the effective date of this act.

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

This act will enable the Public Employees' Retirement Fund to dispose of the certificates of state and local agencies involved in exchange for other securities to significantly increase yield and must take effect immediately to provide the Public Employees' Retirement Fund with the additional revenues as soon as possible.

CHAPTER 392

An act to amend Section 24871 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 24871 of the Business and Professions Code is amended to read:

24871. Quantity discounts to retailers shall be permitted only when actual delivery of a single order is begun and completed to the same premises within a period not to exceed 48 hours, except in the case of accident, strike, insurrection, riot, or act of God, and then delivery shall be made within 48 hours after such occurrence ends. The total quantity and prompt payment discounts, if any, to retailers shall not exceed 10 percent per case for case lots. Brands owned or controlled for the purpose of filing price schedules pursuant to this chapter by the same winegrower or wholesaler, may be combined for quantity and prompt payment discounts.

Quantity discounts to consumers shall not exceed 10 percent on quantity sales of a case or more. A case for the purpose of the preceding sentence and for Section 24871.5 shall contain 2.3 gallons or more of wine consisting of containers of the same size. The term "containers of the same size" includes wine in metric measure containers and wine in United States standard measure containers which contain substantially the same amount of wine. A quantity sale to a consumer is a single transaction and is accomplished in a single delivery.

Prompt payment discounts to retailers shall be permitted only when the seller actually receives payment in cash or its equivalent within the specified period after date of delivery. Postdated checks or checks returned for nonpayment shall not be deemed the equivalent of cash.

Permitted discounts shall not be taken in merchandise.

CHAPTER 393

An act to amend Section 2 of Chapter 22 of the Statutes of 1976, relating to eminent domain, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 2 of Chapter 22 of the Statutes of 1976 is amended to read:

Sec. 7. (a) Except to the extent otherwise provided in subdivision (b) of Section 1230.065 of the Code of Civil Procedure, which becomes operative July 1, 1976, and subdivision (b) of this section, any eminent domain proceeding commenced prior to July 1, 1976, shall be governed by the law in effect on December 31, 1975.

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(b) Notwithstanding any other provision of law, any quasi-public entity, as defined in Section 1245.330 of the Code of Civil Procedure, which becomes operative July 1, 1976, which has commenced an eminent domain proceeding shall obtain, prior to the commencement of trial of that proceeding, a resolution from a legislative body as required by Article 3 (commencing with Section 1245.310) of Chapter 4 of Title 7 of the Code of Civil Procedure, which becomes operative July 1, 1976, if the summons in that proceeding has not been served on the defendants by April 1, 1976, in the manner prescribed by Article 2 (commencing with Section 1250.110) of Chapter 5 of Title 7 of the Code of Civil Procedure, which becomes operative July 1, 1976.

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

Chapter 1275 of the Statutes of 1975 enacted new procedures for allowing local governmental bodies to participate in the determination of the appropriateness of eminent domain proceedings by quasi-public entities, and is operative on July 1, 1976. However, these provisions of Chapter 1275 of the Statutes of 1975 will not be applicable to proceedings commenced, but not yet at the trial stage, on July 1, 1976. This creates a possibility that numerous proposed acquisitions by quasi-public entities will not be evaluated by local governments as intended by Chapter 1275 of the Statutes of 1975. This act would assure that local governmental participation will apply to those proposed acquisitions encompassed in proceedings commenced prior to the operative date, but not yet at the trial stage.

In order that this purpose can be accomplished, it is necessary that this act take effect as soon as possible.

CHAPTER 394

An act to amend Section 21451 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 21451 of the Vehicle Code is amended to read:

21451. Green alone or "go" on an official traffic control signal means the following:

(a) Vehicular traffic facing the signal shall proceed straight through or may turn right or left. Traffic may make a semicircular or U-turn except where such turn is prohibited by signs erected at

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such location. A semicircular or U-turn shall be made from the far left-hand lane that is lawfully available to traffic moving in the direction of travel from which the turn is commenced. However, vehicular traffic, including vehicles turning right or left, shall yield the right-of-way to other vehicles and to pedestrians which were lawfully within the intersection or an adjacent crosswalk at the time such signal was first exhibited.

(b) Pedestrians facing the signal may proceed across the roadway within any marked or unmarked crosswalk, but shall yield the right-of-way to all vehicles which were lawfully within the intersection at the time such signal was first exhibited.

CHAPTER 395

An act to add Section 1360 to the Civil Code, relating to real property.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 1360 is added to the Civil Code, to read:

1360. (a) The owner of a lot or unit in any of the subdivisions referred to in Section 11004.5 of the Business and Professions Code, shall as soon as practicable before transfer of title or the execution of a real property sales contract as defined in Section 2985, give to the prospective purchaser a copy of the declarations of restrictions, bylaws and articles of incorporation affecting rights to the property being offered for transfer.

(b) Upon written request, the governing body of any of the subdivisions referred to in subdivision (a) shall within 10 days of the mailing or delivery of such request provide the owner of a lot or unit in such subdivision with a copy of the declarations of restrictions, bylaws and articles of incorporation applicable to such subdivision as of the date of such request. The governing body may impose a fee for providing such documents, but in no event shall such fee exceed the reasonable cost to prepare and reproduce the requested documents.

(c) The provisions of this section shall not apply to the transfer of a lot or unit the transfer of which is required to be preceded by the furnishing to a prospective purchaser of a copy of a public report pursuant to Section 11018.1 of the Business and Professions Code.

(d) Any person or entity who willfully violates the provisions of this section shall be liable to the purchaser of a lot, or unit which is subject to the provisions of this section for the actual damages and in addition thereto shall pay a penal sum in an amount not to exceed five hundred dollars ($500), and in an action to enforce such liability,

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the prevailing party shall be awarded reasonable attorney's fees.

(e) Nothing in this section shall affect the validity of title to real property transferred in violation of the provisions of this section.

CHAPTER 396

An act to amend Section 3097 of the Civil Code, as amended by Chapter 46 of the 1975 Statutes, relating to works of improvement.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 3097 of the Civil Code, as amended by Chapter 46 of the 1975 Statutes, is amended to read:

3097. "Preliminary 20-day notice (private work)" means a written notice from a claimant that is given prior to the recording of a mechanic's lien and prior to the filing of a stop notice, and is required to be given under the following circumstances:

(a) Except one under direct contract with the owner or one performing actual labor for wages, or an express trust fund described in Section 3111, every person who furnishes labor, service, equipment, or material for which a lien otherwise can be claimed under this title, or for which a notice to withhold can otherwise be given under this title, must, as a necessary prerequisite to the validity of any claim of lien, and of a notice to withhold, cause to be given to the owner or reputed owner, to the original contractor, or reputed contractor, and to the construction lender, if any, or to the reputed construction lender, if any, a written preliminary notice as prescribed by this section.

(b) Except the contractor, or one performing actual labor for wages, or an express trust fund described in Section 3111, all persons who have a direct contract with the owner and who furnish labor, service, equipment, or material for which a lien otherwise can be claimed under this title, or for which a notice to withhold can otherwise be given under this title, must, as a necessary prerequisite to the validity of any claim of lien, and of a notice to withhold, cause to be given to the construction lender, if any, or to the reputed construction lender, if any, a written preliminary notice as prescribed by this section.

(c) The preliminary notice referred to in subdivisions (a) and (b) shall be given not later than 20 days after the claimant has first furnished labor, service, equipment, or materials to the jobsite, and shall contain the following information:

(1) A general description of the labor, service, equipment, or materials furnished, or to be furnished, and if there is a construction lender, he shall be furnished with an estimate of the total price

thereof in addition to the foregoing.

(2) The name and address of such person furnishing such labor, service, equipment, or materials.

(3) The name of the person who contracted for purchase of such labor, service, equipment, or materials.

(4) A description of the jobsite sufficient for identification.

(5) The following statement in boldface type:

NOTICE TO PROPERTY OWNER

If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceedings, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor or (2) any other method or device which is appropriate under the circumstances.

(6) If such notice is given by a subcontractor who is required pursuant to a collective bargaining agreement to pay supplemental fringe benefits into an express trust fund described in Section 3111, such notice shall also contain the identity and address of such trust fund or funds.

If an invoice for such materials contains the information required by this section, a copy of such invoice, transmitted in the manner prescribed by this section shall be sufficient notice.

A certificated architect, registered engineer, or licensed land surveyor who has furnished services for the design of the work of improvement and who gives a preliminary notice as provided in this section not later than 20 days after the work of improvement has commenced shall be deemed to have complied with subdivisions (a) and (b) with respect to architectural, engineering, or surveying services furnished, or to be furnished.

(d) If labor, service, equipment, or materials have been furnished to a jobsite by a person who elected not to give a preliminary notice as provided in subdivision (a) or (b), such person shall not be precluded from giving a preliminary notice not later than 20 days after furnishing other labor, service, equipment, or materials to the same jobsite. Such person shall, however, be entitled to claim a lien and a notice to withhold only for such labor, service, equipment, or material furnished within 20 days prior to the service of such notice, and at any time thereafter.

(e) Any agreement made or entered into by an owner, whereby the owner agrees to waive the rights or privileges conferred upon him by this section shall be void and of no effect.

(f) The notice required under this section may be served as follows:

(1) If the person to be notified resides in this state, by delivering the notice personally, or by leaving it at his address of residence or place of business with some person in charge, or by first-class registered or certified mail, postage prepaid, addressed to the person to whom notice is to be given at his residence or place of business address or at the address shown by the building permit on file with the authority issuing a building permit for the work, or at an address recorded pursuant to subdivision (j) of this section.

(2) If the person to be notified does not reside in this state, by any method enumerated in paragraph (1) of this subdivision. If such person cannot be served by any of such methods, then notice may be given by first-class certified or registered mail, addressed to the construction lender or to the original contractor.

(3) When service is made by first-class certified or registered mail, service is complete at the time of the deposit of such registered or certified mail.

(g) A person required by this section to give notice to the owner and to an original contractor, and to a person to whom a notice to withhold may be given, need give only one such notice to the owner, and to the original contractor and to the person to whom a notice to withhold may be given with respect to all materials, service, labor, or equipment he furnishes for a work of improvement, which means the entire structure or scheme of improvements as a whole, unless the same is furnished under contracts with more than one subcontractor, in which event, the notice requirements must be met with respect to materials, services, labor, or equipment furnished to each such contractor.

If a notice contains a general description required by subdivision (a) or (b) of the materials, services, labor, or equipment furnished to the date of notice, it is not defective because, after such date, the person giving notice furnishes materials, services, labor, or equipment not within the scope of such general description.

(h) Where the contract price to be paid to any subcontractor on a particular work of improvement exceeds four hundred dollars ($400), the failure of that contractor, licensed under Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, to give the notice provided for in this section, constitutes grounds for disciplinary action by the Registrar of Contractors.

Where such notice is required to contain the information set forth in paragraph (6) of subdivision (c), a failure to give such notice, including such information, that results in the filing of a lien or the delivery of a stop notice by the express trust fund to which such obligation is owing constitutes grounds for disciplinary action by the Registrar of Contractors against the subcontractor if the amount due such trust fund is not paid.

(i) Every city, county, city and county, or other governmental authority issuing building permits shall, in its application form for a

building permit, provide space and a designation for the applicant to enter the name, branch designation, if any, and address of the construction lender and shall keep the information on file open for public inspection during the regular business hours of the authority.

If there is no known construction lender, that fact shall be noted in such designated space. Any failure to indicate the name and address of the construction lender on such application, however, shall not relieve any person from the obligation to give to the construction lender the notice required by this section.

(j) A mortgage, deed of trust, or other instrument securing a loan, any of the proceeds of which may be used for the purpose of constructing improvements on real property, shall bear the designation "Construction Trust Deed" prominently on its face and shall state all of the following: (1) the name and address of the lender, and the name and address of the owner of the real property described in the instrument, and (2) a legal description of the real property which secures the loan and, if known, the street address of the property. The failure to be so designated or to state any of the information required by this subdivision shall not affect the validity of any such mortgage, deed of trust, or other instrument.

Failure to provide such information on such an instrument when recorded shall not relieve persons required to give preliminary notice under this section from such duty.

The county recorder of the county in which such instrument is recorded shall indicate in the general index of the official records of the county that such instrument secures a construction loan.

(k) Every contractor and subcontractor who is required pursuant to a collective-bargaining agreement to pay supplementary fringe benefits into an express trust fund described in Section 3111, and who has failed to do so shall cause to be given to such fund and to the construction lender, if any, or to the reputed construction lender, if any, not later than five days following the date such payment was due to such fund, a written notice containing:

(1) The name of the owner and the contractor.

(2) A description of the jobsite sufficient for identification.

(3) The identity and address of the express trust fund.

(4) The total number of straight-time and overtime hours on each such job, payment for which the contractor or subcontractor is delinquent to the express trust.

(5) The amount then past due and owing.

Failure to give such notice shall constitute grounds for disciplinary action by the Registrar of Contractors.

(*l*) Every written contract entered into between a property owner and an original contractor shall provide space for the owner to enter his name and address of residence; and place of business if any. The original contractor shall make available a copy of such contract for inspection by any person seeking to serve notice required by this section.

SEC. 2. This act shall become operative on January 1, 1978.

CHAPTER 397

An act to add Sections 20450.5 and 20906.5 to the Education Code, relating to county superintendents of schools, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 20450.5 is added to the Education Code, to read:

20450.5. Notwithstanding Section 20450, whenever a special education program is transferred to a county superintendent of schools pursuant to Section 885.7, the maximum allowable tax rate of the county superintendent of schools is increased by the amount necessary to raise an amount per unit of average daily attendance or per class, whichever is applicable, equal to such amount expended for the program, exclusive of capital outlay, by the district which maintained the program in the prior fiscal year.

The tax rate shall be determined in accordance with the procedures established in subdivision (f) of Section 20450.

SEC. 2. Section 20906.5 is added to the Education Code, to read:

20906.5. Whenever a special education program is transferred from a school district to a county superintendent of schools pursuant to Section 885.7, the revenue limit of such district shall be reduced by the amount of excess cost which the district expended from its revenue limit for such program during the prior fiscal year. This excess cost shall not include expenditures of income from federal sources or tuition.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the changes made by this act may be applicable for the entire 1976–77 fiscal year, and in order that necessary funding may be raised for programs conducted by county superintendents of schools, it is essential that this act take immediate effect.

CHAPTER 398

An act relating to wine on school property.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976]

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

SECTION 1. (a) The governing board of a school district under the jurisdiction of a county superintendent of schools of a county of the 29th class, determined pursuant to Section 28050 of the Government Code, may lease any building of the district which was constructed prior to 1913, together with the site upon which such building is located, without complying with the provisions of Article 2 (commencing with Section 16051) of Chapter 2 of Division 12 of the Education Code, provided that all of the following conditions exist:

(1) The lease is to be made to an incorporated nonprofit tax-exempt community or civic organization with a membership comprised predominantly of persons residing in the community in which the building and site are situated.

(2) The building has been found by the school district governing board not to be suitable for school purposes.

(3) The building has an historic value and its preservation and utilization for the benefit of the community will best be ensured by lease to an organization specified in paragraph (1) of this subdivision.

(4) The lease is to be executed for a consideration to enure to the school district reflecting its fair rental value.

(5) The lease instrument requires the lessee to indemnify the district against all civil liabilities of the district, its officers, or employees which might arise in connection with any use of the building and site.

(6) No consumption or retail sale of wine on the premises of the leased facility shall occur during any schoolday during regular school hours.

(b) The provisions of Section 25608 of the Business and Professions Code shall not apply to the sale, possession, consumption, or delivery of wine on the premises of a school which has been leased to a nonprofit organization pursuant to subdivision (a).

CHAPTER 399

An act to add Section 872 to the Welfare and Institutions Code, relating to the juvenile court law, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 872 is added to the Welfare and Institutions Code, to read:

872. Where there is no juvenile hall in the county of residence of minors, or when the juvenile hall becomes unfit or unsafe for

detention of minors, the presiding or sole juvenile court judge may, with the recommendation of the probation officer of the sending county and the consent of the probation officer of the receiving county, by written order filed with the county clerk, designate the juvenile hall of any county in the state for the detention of an individual minor for not to exceed 60 days. The court may at any time modify or vacate such order and shall require notice of the transfer to be given to the parent or guardian. The county of residence of a minor so transferred shall reimburse the receiving county for costs and liability as agreed upon by the two counties in connection with such order.

The Department of the Youth Authority shall establish a maximum population limit for each juvenile hall in this state.

As used in this section, the terms "unfit" and "unsafe" shall include a condition in which a juvenile hall is considered by the juvenile court judge, the probation officer of that county, or the Department of the Youth Authority to be too crowded for the proper and safe detention of minors.

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

In order to provide authority to the courts to alleviate overcrowding in juvenile halls in this state as soon as possible it is necessary that this act take effect immediately.

CHAPTER 400

An act to add Section 5606.6 to the Welfare and Institutions Code, relating to advisory committee expenses.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 5606.6 is added to the Welfare and Institutions Code, to read:

5606.6. The board of supervisors may pay from any available funds the actual and necessary expenses of the members of a county advisory committee on drug abuse incurred incident to the performance of official duties and functions. Such expenses may include travel, lodging, and meals for advisory committee members while on official business as may be approved by the board of supervisors.

CHAPTER 401

An act to amend Section 1118 of the Education Code, relating to school districts.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 1118 of the Education Code is amended to read:

1118. (a) If a tie vote makes it impossible to determine either which of two or more candidates has been elected to the governing board or the term of office of a governing board member, the county superintendent of schools having jurisdiction shall so certify to the governing board.

(b) The governing board may either call a runoff election or determine the winner or winners by lot. Prior to conducting any school board election on or after March 1, 1977, the governing board of each school district shall establish which of such procedures is to be employed by the district in the event of a tie vote.

(c) If the governing board decides to determine the winner by lot, the governing board shall forthwith notify the candidates who have received the tie votes to appear before it either personally or by a representative at a time and place designated by the governing board. The governing board shall at that time and place determine the winner or winners by lot.

(d) If the governing board decides to call a runoff election, it shall call a runoff election to be held in the district on the fourth Tuesday following the election at which the tie vote occurred. Only the candidates receiving the tie votes shall appear on the ballots. Any member of the governing board who will be succeeded by a winner of the runoff election and whose term would expire before the winner of the runoff election would be determined shall continue to discharge the duties of his office until his successor has qualified. The runoff election shall be called and conducted substantially in the manner provided in Chapter 6 (commencing with Section 1301) of this division, provided, that the governing board shall determine the adjustments of the time requirements prescribed therein which would be necessary in order to conduct the runoff election.

CHAPTER 402

An act to add Section 12501.3 to the Business and Professions Code, relating to weights and measures.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 12501.3 is added to the Business and Professions Code, to read:

12501.3. Notwithstanding any other requirements or provisions of this division except those of Chapters 7 (commencing with Section 12700) and 7.7 (commencing with Section 12770), a sealer may permit the use of an unsealed device pending repairs if the device is in error only to the disadvantage of the user and if the user is never the buyer. Such an unsealed device shall be repaired within 30 days.

CHAPTER 403

An act to amend Section 2454 of the Streets and Highways Code, relating to grade separation projects.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 2454 of the Streets and Highways Code is amended to read:

2454. Allocations made pursuant to Section 2453 shall be made on the basis of the following:

(a) An allocation of 80 percent of the estimated cost of the project shall be made; except that whenever contributions from other sources exceed 20 percent of the estimated cost, the allocation shall be reduced by the amount in excess of 20 percent of the estimated cost.

(b) An allocation of 50 percent of the estimated cost of the project shall be made for a proposed crossing.

(c) No allocation shall be made in excess of 50 percent of the estimated cost of the project unless the grade crossing to be eliminated has been in existence for at least 10 years prior to the date of allocation.

(d) On projects which eliminate an existing crossing, or alter or reconstruct an existing grade separation, no allocation shall be made unless the railroad agrees to contribute 10 percent of the cost of the project.

(e) Where a project does not include a grade separation, but eliminates existing grade crossing or crossings, the allocation shall not exceed the estimated allocation that would have been made for the grade separation which is no longer needed because of the elimination of the grade crossing by the project and which are indicated on the priority list to be urgently in need of grade separation.

(f) Where the project includes the separation of a highway and a railroad passenger service operated by a city or county, the operating agency shall contribute 20 percent of the cost of the project. The priority listing for such projects shall be in accordance with criteria established for such railroad passenger service by the Public Utilities Commission.

(g) Notwithstanding the provisions of subdivisions (a) to (f), inclusive, the total of such allocations for a single project shall not exceed five million dollars ($5,000,000) without specific legislative authorization.

Notwithstanding any of the above provisions of this section or any other provision of law, when the state or local agency uses funds derived from federal sources in financing its share of project costs, the railroad contribution, where required by federal law or regulation, shall be computed pursuant to federal law. However, the allocation made pursuant to this chapter shall be computed as though such matching contribution was derived from nonfederal sources and shall be computed as though the railroad had made its contribution pursuant to state law rather than pursuant to federal law. Provided however, that where the contribution of the railroad is computed according to federal law or regulation because of the use of federal funds in the allocation for a project, the allocation shall be increased by the amount the share of the railroad is reduced below 10 percent of the estimated cost of the project.

CHAPTER 404

An act to amend Sections 224n and 7013 of, and to add Section 7017.1 to, the Civil Code, relating to adoption.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 224n of the Civil Code is amended to read:

224n. The agency to which a child has been relinquished for adoption shall be responsible for the care of the child, and shall be entitled to the exclusive custody and control of the child at all times until a petition for adoption has been granted. Any placement for temporary care, or for adoption made by the agency, may be terminated at the discretion of the agency at any time prior to the granting of a petition for adoption. In the event of termination of any placement for temporary care or for adoption, the child shall be returned promptly to the physical custody of the agency.

No petition may be filed to adopt a child relinquished to a licensed adoption agency or a child declared free from the custody and

control of either or both of his parents and referred to a licensed adoption agency for adoptive placement, except by the prospective adoptive parents with whom the child has been placed for adoption by the adoption agency. After the petition for adoption has been filed, the agency may remove the child from the prospective adoptive parents only with the approval of the court, upon motion by the agency after notice to the prospective adoptive parents, supported by an affidavit or affidavits stating the grounds on which removal is sought. If an agency refuses to consent to the adoption of a child by the person or persons with whom the agency placed the child for adoption, the superior court may nevertheless decree the adoption if it finds that the refusal to consent is not in the best interest of the child.

SEC. 2. Section 7013 of the Civil Code is amended to read:

7013. The court has continuing jurisdiction to modify a judgment or order made under this part. A judgment or order relating to an adoption may only be modified in the same manner and under the same conditions as a decree of adoption may be modified under Section 227b or 227d.

SEC. 3. Section 7017.1 is added to the Civil Code, to read:

7017.1. There shall be no filing fee charged for any petition filed pursuant to subdivision (b) of Section 7017.

CHAPTER 405

An act to amend Sections 32510 and 35784 of, and to add Section 35784.1 to, the Food and Agricultural Code, relating to milk and milk products.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 32510 of the Food and Agricultural Code is amended to read:

32510. "Market milk" means milk which is supplied to the consumer in the natural fluid state, or which is prepared for human consumption without being converted into any other form or product. It shall conform to the standards which are provided in Chapter 2 (commencing with Section 35751), Part 2, of this division, and may be standardized to comply with the minimum milk fat and solids not fat percentage requirements, and the permissible variations therefrom, provided for in Sections 35784 and 35784.1. Except as otherwise specifically provided in Section 35811, "market milk" includes "market cream."

SEC. 2. Section 35784 of the Food and Agricultural Code is amended to read:

35784. Market milk, at the time of delivery to the consumer, shall contain not less than 3.5 percent of milk fat and not less than 8.7 percent solids not fat. The minimum percentages of milk fats and solids not fat required by this section may vary by an amount no greater than 0.1 of 1 percent, provided that the total combined percentages of milk fat and solids not fat, at the time of delivery to the consumer, shall equal or exceed 12.2 percent.

SEC. 3. Section 35784.1 is added to the Food and Agricultural Code, to read:

35784.1. Market milk produced and marketed pursuant to Article 7 (commencing with Section 35921) of this chapter shall contain not less than 3.5 percent of milk fat and not less than 8.5 percent of solids not fat. The minimum percentages of milk fat and solids not fat required by this section, may vary by an amount no greater than 0.1 of 1 percent, provided that the total combined percentages of milk fat and solids not fat, at the time of delivery to the consumer, shall equal or exceed 12 percent.

CHAPTER 406

An act to amend Section 594 of the Code of Civil Procedure, relating to trials.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 594 of the Code of Civil Procedure is amended to read:

594. (a) In superior courts and municipal courts either party may bring an issue to trial or to a hearing, and, in the absence of the adverse party, unless the court, for good cause, otherwise directs, may proceed with his case and take a dismissal of the action, or a verdict, or judgment, as the case may require; provided, however, if the issue to be tried is an issue of fact, proof shall first be made to the satisfaction of the court that the adverse party has had 15 days' notice of such trial or five days' notice of such trial in an unlawful detainer action as specified in subdivision (b). If the adverse party has served notice of trial upon the party seeking the dismissal, verdict, or judgment at least five days prior to the trial, the adverse party shall be deemed to have had such notice.

(b) The notice to the adverse party required by subdivision (a) shall be served by mail on all the parties by the clerk of the court not less than 20 days prior to the date set for trial and not less than five days prior to the date set for trial in an unlawful detainer action. If notice is not served by the clerk as required by this subdivision, it may be served by mail by any party on the adverse party not less than

15 days prior to the date set for trial, and in an unlawful detainer action not less than five days prior to the date set for trial. If notice is served by the clerk, proof thereof may be made by introduction into evidence of the clerk's certificate pursuant to subdivision (3) of Section 1013a or other competent evidence. If notice is served by a party, proof may be made by introduction into evidence of an affidavit or certificate pursuant to subdivision (1) or (2) of Section 1013a or other competent evidence. The provisions of this subdivision are exclusive.

(c) In justice courts if either party fails to appear at the time fixed for trial, the trial may proceed at the request of the adverse party. When all the parties served with process have appeared, or when some of them have appeared and the default of the others has been entered, the judge shall fix the day for trial, whether the issue be one of law or fact, and the day fixed for trial shall be entered on the docket. Notice of the day fixed for trial shall be given, as herein provided, to the parties to the action who have appeared. Such notice shall be in writing, signed by the judge, or by the clerk if there be a clerk, and substantially in the following form:

In the Justice Court, _____ Judicial District, County of _____, State of California

_____,
Plaintiff,
vs.
_____,
Defendant.

To _____, plaintiff (or attorney for plaintiff) and to _____, defendant (or attorney for defendant).

You and each of you will please take notice that the undersigned judge before whom the above-entitled cause is pending has set for hearing the demurrer of _____, filed in said cause (or has set the said cause for trial, as the case may be), before me at my office in said judicial district, at _____ o'clock, __m., on the _____ day of _____, 19__.

Dated this _____ day of _____, 19__.

(Signed) _____,
Judge,

By _____,
Clerk (if signed by clerk)

When a party has appeared by attorney, the notice may be served upon the attorney either personally, by mail, or in the manner prescribed by subdivision 1 of Section 1011.

When a party appears in person, he shall leave with the judge, or with the clerk if there be a clerk, an address where service of such notice may be made, which shall be entered upon the docket; and

such notice may, if the address is within the county in which the cause is pending, be served on the party personally if he can be found at the address; otherwise, it may be served by mail in the manner hereinafter specified.

When such notice is personally served, it shall be served at least five days before the day fixed for trial, and may be served by any person competent to serve a summons in such justice court. It shall be served, returned, and filed in the same manner as a summons.

When such notice is served by mail, it shall be served as follows: For each person who is to be served with such notice, the judge, or clerk if there be a clerk, shall place a copy of such notice in an envelope, seal it, address it to the person on whom it is to be served at his place of residence (or at his office if he is an attorney), and deposit it in the post office at least 10 days before the day fixed for the trial, with the postage prepaid thereon.

When such notice is served by mail, the judge shall enter on his docket the date of mailing such notice, and the entry shall be prima facie evidence of the fact of service.

CHAPTER 407

An act to amend Sections 42682, 43332, 44971, and 48351 of the Food and Agricultural Code, relating to agricultural products.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 42682 of the Food and Agricultural Code is amended to read:

42682. The director may, upon a petition of a person that the director finds has a substantial interest in the growing or handling of the particular fruit, nut or vegetable involved, establish, modify or rescind by regulation, which regulation shall initially take effect January 1, 1971, standard container, lid, marking, sizing requirement for commodities, and packing arrangement for any fruits, nuts or vegetables, for which specific quality standards have otherwise been provided by law or regulation.

The director shall not by regulation adopt any new container or packing requirement unless the new container or packing requirement has previously been authorized by regulation of the director as an experimental pack or container.

The director shall, upon the petition of 10 persons that he finds have a substantial interest in the growing or handling of the particular fruit, nut or vegetable involved, hold a hearing to establish if the requested standard container, lid, marking, sizing requirement for commodities, or packing arrangement for any fruit, nut or

vegetable for which specific quality standards have otherwise been provided should be adopted by regulation.

All regulations shall be adopted in accordance with Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 2. Section 43332 of the Food and Agricultural Code is amended to read:

43332. It is unlawful for any person that does not have a valid permit which is issued pursuant to regulations established by the director to sell, buy, receive, transport, deliver, or cause to be transported, or for any person to transport unless such a permit accompanies the vehicle which is transporting, any fruits, nuts, or vegetables, which are exempt from the standards which are established in this chapter, except a person that comes within one of the following classes:

(a) A common carrier which operates over a regular route or between fixed termini and transports any such fruits, nuts, or vegetables, in good faith and in accordance with its duties as a common carrier.

(b) A person that is transporting fruits, nuts, or vegetables from the orchard or field where they were produced to a packing plant within the state for first processing, grading, or packing.

(c) A person that is transporting fruits, nuts, or vegetables in accordance with the terms of a disposal order which is duly issued pursuant to Section 42881.

SEC. 3. Section 44971 of the Food and Agricultural Code is amended to read:

44971. Avocados produced in this state which are being prepared for market shall be certified as complying with the maturity and quality provisions established by regulations of the director.

SEC. 4. Section 48351 of the Food and Agricultural Code is amended to read:

48351. This chapter does not prohibit any person, under a permit which is issued pursuant to this article, from transporting nectarines out of state, if the following requirements are complied with:

(a) Such permit is issued for, and is attached to, each load or lot transported.

(b) The nectarines are loose in containers which are not closed.

(c) The nectarines shall meet the quality standards defined by regulations of the director. However, they shall not be required to meet the quality standards relating to split pits.

CHAPTER 408

An act to add Section 99209.5 to the Public Utilities Code, relating to public transportation.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 99209.5 is added to the Public Utilities Code, to read:

99209.5. "Operates" for purposes of Section 99209, and "operation" for purposes of paragraph (1) of subdivision (b) of Section 99289, mean that the operator owns or leases the equipment, establishes routes and frequency of service, regulates and collects fares and otherwise controls the efficiency and quality of the operation of the system, but does not require that operators of rolling stock be employees of a public agency.

CHAPTER 409

An act relating to school district revenue limits, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Notwithstanding Section 20207 of the Education Code, or any other provision of law, no adjustment in the revenue limit of the King City Union School District for the 1975–76 fiscal year, or any fiscal year thereafter, shall be made because of an overstatement of the average daily attendance of kindergarten attendance in the district which was made in the 1975–76 fiscal year or any prior fiscal year.

The revenue limit of the King City Union School District for the 1976–77 fiscal year shall be based upon the adjusted 1972–73 revenue limit per unit of average daily attendance as calculated for corrections in average daily attendance in the 1972–73 base year.

SEC. 2. The Legislature finds and declares that because of unique circumstances existing with respect to the computation of the average daily attendance of kindergarten pupils in the King City Union School District, a general law within the meaning of Section 16 of Article IV of the California Constitution cannot be made applicable.

SEC. 3. This act is an urgency statute necessary for the

immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit this act to be operative for the entire 1976–77 fiscal year and in time to compute the tax rate of the King City Union School District for that fiscal year, and so permit the orderly operation of the fiscal affairs of the district, it is necessary that this act take effect immediately.

CHAPTER 410

An act to add Section 22855 to the Government Code, relating to the State Employees' Medical and Hospital Care Act.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Section 22855 is added to the Government Code, to read:

22855. The board shall not enter into or renew a contract with any contracting agency on and after January 1, 1977, which does not require the enrollment of every employee or annuitant in a major medical plan or the inclusion of major medical benefits in the health benefit plan.

CHAPTER 411

An act to add Section 7034 to the Business and Professions Code, relating to contractors.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 7034 is added to the Business and Professions Code, to read:

7034. No contractor who is required to be licensed under this chapter shall insert in any contract, or be a party, with a subcontractor who is licensed under this chapter to any contract which contains, a provision, clause, covenant, or agreement which is void or unenforceable under Section 2782 of the Civil Code.

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CHAPTER 412

An act relating to the Secretary of State, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976.]

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

SECTION 1. In addition to any moneys otherwise appropriated to the Secretary of State by the Budget Act or by any other law, there is hereby appropriated to the Secretary of State the sum of two hundred eighteen thousand nine hundred dollars ($218,900) from the General Fund for purposes of printing and distributing ballot pamphlets.

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

In order that the moneys appropriated to the Secretary of State by this act will be made available for the 1976 elections, it is necessary that this act take effect immediately.

CHAPTER 413

An act relating to medical assistance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976 Filed with Secretary of State July 9, 1976.]

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

SECTION 1. Four million five hundred fifty-one thousand six hundred eleven dollars ($4,551,611) of the amount appropriated by Item 278 of the Budget Act of 1975 (Chapter 176, Statutes of 1975) is hereby reappropriated for transfer, upon order of the Director of Finance, to Items 271 and 278.2 of the Budget Act of 1975 for the Medi-Cal program.

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

In order to meet the estimated increase in the General Fund share of Medi-Cal program for state support and fiscal intermediary operations, it is necessary that this act take effect immediately.

CHAPTER 414

An act to amend Section 18611 of the Health and Safety Code, relating to mobilehomes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 9, 1976]

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

SECTION 1. Section 18611 of the Health and Safety Code is amended to read:

18611. (a) The minimum distance required for the separation of a mobilehome from a building shall be 10 feet. The minimum distance required for the separation of a mobilehome from any other mobilehome shall be: 10 feet from side to side, eight feet from side to rear, and six feet from rear to rear; provided, however, that each mobilehome shall not be located closer than three feet from the rear or side lot line. The minimum distance required for the separation or location of buildings from property lines shall be in accordance with the requirements of the regulations adopted pursuant to Section 18620.

The minimum distance required for the separation or location of mobilehome accessory buildings or structures shall be in accordance with the requirements of the regulations adopted pursuant to Section 18552.

(b) In mobilehome parks, or portions thereof, constructed prior to September 15, 1961, no mobilehome shall be located closer than six feet from any permanent building or another mobilehome. The subdivision does not, however, apply to a building which contains only a private toilet or bath, or both, that is constructed for the exclusive use of the occupants of the mobilehome lot.

(c) Notwithstanding the provisions of subdivisions (a) and (b), a private garage may be located immediately adjacent to a mobilehome if the interior of the garage wall adjacent to the mobilehome is constructed of materials approved for one-hour fire-resistive construction. If there are openings in the mobilehome wall adjacent to the garage wall, a minimum of three feet separation shall be maintained. A minimum of six feet separation shall be maintained between the mobilehome and a private garage which does not meet the requirements for one-hour fire-resistive construction.

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

In order to remove at the earliest possible time the existing conflict between Section 18611 of the Health and Safety Code and the

requirements for space separations or alternative firewalls which apply to mobilehome subdivisions under the Uniform Building Code, it is necessary that this act take immediate effect.

CHAPTER 415

An act to amend Sections 81005 and 86104 of, and to repeal Section 86111 of the Government Code, relating to lobbyists, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 81005 of the Government Code is amended to read:

81005. Reports and statements required by this title shall be filed as follows:

(a) Reports and statements of statewide elected officers, candidates for statewide elective office, committees supporting such candidates, state central committees of political parties, and committees supporting or opposing statewide measures—one original and one copy with the Secretary of State, two copies with the Clerk of Los Angeles County, and two copies with the Clerk of the City and County of San Francisco;

(b) Reports and statements of candidates for and persons holding the office of superior court judge, Member of the State Legislature, and member of the Board of Equalization, and of committees supporting such candidates—one original and one copy with the Secretary of State, and two copies with the clerk of the largest county by population which in whole or in part is included in the election district which the officeholder represents or in which the candidate or any of the candidates seek nomination or election, and two copies with the clerk of the county in which the candidate or officeholder resides, or in which the committee is domiciled, provided that a committee not domiciled in California shall file two copies with the Registrar-Recorder of Los Angeles County instead of its county of domicile. For the purposes of this section, the domicile of a committee is the address of the committee listed on the campaign statement. No more than two copies of each such statement need be filed with the clerk of any one county.

(c) Reports and statements of candidates for and persons holding any elective office not mentioned above which is voted upon in more than one county, of committees supporting such candidates and committees supporting or opposing measures to be voted upon in more than one county but not statewide—one original and one copy with the clerk of the county having the largest population, and two

copies with the clerk of the county in which the candidate or officeholder resides, or in which the committee is domiciled, provided that a committee not domiciled in California shall file two copies with the Registrar-Recorder of Los Angeles County instead of its county of domicile. For the purposes of this section, the domicile of a committee is the address of the committee listed on the campaign statement. No more than two copies of each such statement need be filed with the clerk of any one county.

(d) Reports and statements of candidates for and persons holding any elective office not mentioned above which is voted upon wholly within one city, of committees supporting such candidates and committees supporting or opposing measures to be voted upon wholly within one city—one original and one copy with the city clerk.

(e) Reports and statements of candidates for and persons holding any elective office not mentioned above, of committees supporting such candidates and committees supporting or opposing measures to be voted upon in not more than one county—one original and one copy with the county clerk.

(f) Reports and statements of the county central committees of political parties—one original and one copy with the Secretary of State, and two copies with the county clerk.

(g) All reports and statements required by Chapter 7—one original with the agency; provided that for reports and statements filed by the head of the agency, a member of a board or commission not under a department of state government or not under the jurisdiction of a local legislative body, and a person who files a financial disclosure report pursuant to Article 2 (commencing with Section 87200) of Chapter 7, the agency shall make and retain a copy and forward the original to the code reviewing body.

(h) Reports and statements required by Chapter 6—one original and two copies with the Secretary of State who shall send one copy to the Los Angeles office or any other office in Los Angeles designated by the Secretary of State.

SEC. 2. Section 81005 of the Government Code is amended to read:

81005. Reports and statements required by this title shall be filed as follows:

(a) Reports and statements of statewide elected officers, candidates for statewide elective office, committees supporting such candidates, state central committees of political parties, and committees supporting or opposing statewide measures—one original and one copy with the Secretary of State, two copies with the Clerk of Los Angeles County and two copies with the Clerk of the City and County of San Francisco;

(b) Reports and statements of candidates for and persons holding the office of superior court judge, Member of the State Legislature, and member of the Board of Equalization, and of committees supporting such candidates—one original and one copy with the

Secretary of State, and two copies with the clerk of the largest county by population which in whole or in part is included in the election district which the officeholder represents or in which the candidate or any of the candidates seek nomination or election, and two copies with the clerk of the county in which the candidate or officeholder resides, or in which the committee is domiciled, provided that a committee not domiciled in California shall file two copies with the Registrar-Recorder of Los Angeles County instead of its county of domicile. For the purposes of this section, the domicile of a committee is the address of the committee listed on the campaign statement. No more than two copies of each such statement need be filed with the clerk of any one county.

(c) Reports and statements of candidates for and persons holding any elective office not mentioned above which is voted upon in more than one county, of committees supporting such candidates and committees supporting or opposing measures to be voted upon in more than one county but not statewide—one original and one copy with the clerk of the county having the largest population, and two copies with the clerk of the county in which the candidate or officeholder resides, or in which the committee is domiciled, provided that a committee not domiciled in California shall file two copies with the Registrar-Recorder of Los Angeles County instead of its county of domicile. For the purposes of this section, the domicile of a committee is the address of the committee listed on the campaign statement. No more than two copies of each such statement need be filed with the clerk of any one county.

(d) Reports and statements of candidates for and persons holding any elective office not mentioned above which is voted upon wholly within one city, of committees supporting such candidates and committees supporting or opposing measures to be voted upon wholly within one city—one original and one copy with the city clerk.

(e) Reports and statements of candidates for and persons holding any elective office not mentioned above, of committees supporting such candidates and committees supporting or opposing measures to be voted upon in not more than one county—one original and one copy with the county clerk.

(f) Reports and statements of the county central committees of political parties—one original and one copy with the Secretary of State, and two copies with the county clerk.

(g) All reports and statements required by Chapter 7—one original with the agency; provided that for reports and statements filed by the head of the agency, a member of a board or commission not under a department of state government or not under the jurisdiction of a local legislative body, and a person who files a financial disclosure report pursuant to Article 2 (commencing with Section 87200) of Chapter 7, the agency shall make and retain a copy and forward the original to the code reviewing body.

"Code reviewing body" as used in this subdivision means the

commission for the purpose of filing financial disclosure statements prepared pursuant to Article 2 (commencing with Section 87200) of Chapter 7. "Agency" as used in this subdivision means the clerk of the court for judges of courts of record.

(h) Reports and statements required by Chapter 6—one original and two copies with the Secretary of State who shall send one copy to the Los Angeles office or any other office in Los Angeles designated by the Secretary of State.

SEC. 3. Section 86104 of the Government Code is amended to read:

86104. All information listed on any registration statement and on any amendment, renewal or notice of termination shall be printed by the Secretary of State and made public within 30 days after filing. Within 120 days after the commencement of each regular session of the Legislature, the Secretary of State shall publish a directory of registered lobbyists. He shall publish, from time to time, such supplements to the directory as may be necessary.

SEC. 4. Section 86111 of the Government Code is repealed.

SEC. 5. The Legislature finds and declares that the amendments to Sections 81005 and 86104 of the Government Code set forth in Sections 1, 2 and 3 of this act, and the repeal of Section 86111 of the Government Code set forth in Section 4 of this act, are in furtherance of the purposes of the Political Reform Act of 1974.

SEC. 6. It is the intent of the Legislature, if this bill and Assembly Bill No. 809 are both chaptered and amend Section 81005 of the Government Code, and this bill is chaptered after Assembly Bill No. 809, that Section 81005 of the Government Code, as amended by Section 1 of Assembly Bill No. 809 be further amended on the operative date of this act in the form set forth in Section 2 of this act to incorporate the changes in Section 1 proposed by this bill. Therefore, Section 2 of this act shall become operative only if Assembly Bill No. 809 is chaptered before this bill and amends Section 81005, and in such case Section 2 of this act shall become operative on the operative date of this act and Section 1 of this act shall not become operative.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to eliminate unnecessary paperwork and thereby reduce government expenditures at the earliest possible time, this act must take effect immediately.

CHAPTER 416

An act to amend Sections 1790.4, 1791, 1793.2, 1793.3, and 1794.1 of, and to add Section 1793.6 to, the Civil Code, relating to consumer warranties.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 1790.4 of the Civil Code is amended to read:

1790.4. The remedies provided by this chapter are cumulative and shall not be construed as restricting any remedy that is otherwise available, and, in particular, shall not be construed to supplant the provisions of the Unfair Practices Act.

SEC. 1.5. Section 1791 of the Civil Code is amended to read:

1791. As used in this chapter:

(a) "Consumer goods" means any new mobilehome, motor vehicle, machine, appliance, like product, or part thereof that is used or bought for use primarily for personal, family, or household purposes. "Consumer goods" also means any new good or product, except for soft goods and consumables, the retail sale of which is accompanied by an express warranty to the retail buyer thereof and such product is used or bought for use primarily for personal, family, or household purposes. Soft goods and consumables, the retail sale of which is accompanied by an express warranty, shall be subject to the provisions of Section 1793.35.

(b) "Buyer" or "retail buyer" means any individual who buys consumer goods from a person engaged in the business of manufacturing, distributing, or selling such goods at retail. As used in this subdivision, "person" means any individual, partnership, corporation, association, or other legal entity which engages in any such business.

(c) "Manufacturer" means any individual, partnership, corporation, association, or other legal relationship which manufactures, assembles, or produces consumer goods.

(d) "Distributor" means any individual, partnership, corporation, association, or other legal relationship which stands between the manufacturer and the retail seller in purchases, consignments, or contracts for sale of consumer goods.

(e) "Retail seller," "seller," or "retailer" means any individual, partnership, corporation, association, or other legal relationship which engages in the business of selling consumer goods to retail buyers.

(f) "Independent repair or service facility" or "independent serviceman" means any individual, partnership, corporation, association, or other legal entity, not an employee or subsidiary of a manufacturer or distributor, which engages in the business of

servicing and repairing consumer goods.

(g) "Soft goods" means any pliable product substantially composed of woven material, natural or synthetic yarn or fiber, textile, or similar product.

(h) "Consumables" means any product which is intended for consumption by individuals, or use by individuals for purposes of personal care or in the performance of services ordinarily rendered within the household, and which usually is consumed or expended in the course of such consumption or use.

(i) "Place of business" means, for the purposes of any retail seller that sells consumer goods by catalog or mail order, the distribution point for such goods.

(j) "Return to the retail seller" means, for the purposes of any retail seller that sells consumer goods by catalog or mail order, the retail seller's place of business, as defined in subdivision (i).

SEC. 2. Section 1793.2 of the Civil Code is amended to read:

1793.2. (a) Every manufacturer of consumer goods sold in this state and for which the manufacturer has made an express warranty shall:

(1) Maintain in this state sufficient service and repair facilities reasonably close to all areas where its consumer goods are sold to carry out the terms of such warranties or designate and authorize in this state as service and repair facilities independent repair or service facilities reasonably close to all areas where its consumer goods are sold to carry out the terms of such warranties.

As a means of complying with paragraph (1) of this subdivision, a manufacturer shall be permitted to enter into warranty service contracts with independent service and repair facilities. The warranty service contracts may provide for a fixed schedule of rates to be charged for warranty service or warranty repair work, however, the rates fixed by such contracts shall be in conformity with the requirements of Section 1793.3(c). The rates established pursuant to Section 1793.3(c), between the manufacturer and the independent service and repair facility, shall not preclude a good-faith discount which is reasonably related to reduced credit and general overhead cost factors arising from the manufacturer's payment of warranty charges direct to the independent. The warranty service contracts authorized by this paragraph shall not be executed to cover a period of time in excess of one year.

(2) In the event of a failure to comply with paragraph (1) of this subdivision, be subject to the provisions of Section 1793.5.

(b) Where such service and repair facilities are maintained in this state and service or repair of the goods is necessary because they do not conform with the applicable express warranties, service and repair shall be commenced within a reasonable time by the manufacturer or its representative in this state. Unless the buyer agrees in writing to the contrary, the goods must be serviced or repaired so as to conform to the applicable warranties within 30 days. Delay caused by conditions beyond the control of the manufacturer

or his representatives shall serve to extend this 30-day requirement. Where such delay arises, conforming goods shall be tendered as soon as possible following termination of the condition giving rise to the delay.

(c) It shall be the duty of the buyer to deliver nonconforming goods to the manufacturer's service and repair facility within this state, unless, due to reasons of size and weight, or method of attachment, or method of installation, or nature of the nonconformity, such delivery cannot reasonably be accomplished. Should the buyer be unable to effect return of noncomforming goods for any of the above reasons, he shall notify the manufacturer or its nearest service and repair facility within the state. Written notice of nonconformity to the manufacturer or its service and repair facility shall constitute return of the goods for purposes of this section. Upon receipt of such notice of nonconformity the manufacturer shall, at its option, service or repair the goods at the buyer's residence, or pick up the goods for service and repair, or arrange for transporting the goods to its service and repair facility. All reasonable costs of transporting the goods when, pursuant to the above, a buyer is unable to effect return shall be at the manufacturer's expense. The reasonable costs of transporting nonconforming goods after delivery to the service and repair facility until return of the goods to the buyer shall be at the manufacturer's expense.

(d) Should the manufacturer or its representative in this state be unable to service or repair the goods to conform to the applicable express warranties, the manufacturer shall either replace the goods or reimburse the buyer in an amount equal to the purchase price paid by the buyer, less that amount directly attributable to use by the buyer prior to the discovery of the nonconformity.

SEC. 3. Section 1793.3 of the Civil Code is amended to read:

1793.3. If the manufacturer of consumer goods sold in this state for which the manufacturer has made an express warranty does not provide service and repair facilities within this state pursuant to subdivision (a) of Section 1793.2, the buyer of such manufacturer's nonconforming goods may follow the course of action prescribed in either subdivision (a), (b), or (c), below, as follows:

(a) Return the nonconforming consumer goods to the retail seller thereof for replacement, or for service or repair in accordance with the terms and conditions of the express warranty. Such replacement, service, or repair shall be at the option of the retail seller. If the retail seller is unable to replace the nonconforming goods or is unable to service or repair the goods so as to effect conformity with applicable express warranties, such retail seller shall reimburse the buyer in an amount equal to the purchase price paid by the buyer, less that amount directly attributable to use by the buyer prior to discovery of the nonconformity.

(b) Return the nonconforming consumer good to any retail seller, within this state, of like goods of the same manufacturer for replacement, or for service or repair. Replacement, service, or repair

shall be at the option of the retail seller.

(c) Secure the services of an independent repair or service facility for the service or repair of the nonconforming consumer goods, when service or repair of the goods can be economically accomplished. In that event the manufacturer shall be liable to the buyer, or to the independent serviceman upon an assignment of the buyer's rights, for the actual and reasonable cost of service and repair, including any cost for parts and any reasonable cost of transporting the goods or parts, plus a reasonable profit. It shall be a rebuttable presumption affecting the burden of producing evidence that the reasonable cost of service or repair is an amount equal to that which is charged by the independent serviceman for like services or repairs rendered to service or repair customers who are not entitled to warranty protection. Any waiver of the liability of a manufacturer shall be void and unenforceable.

The course of action prescribed in this subdivision shall be available to the buyer only after the buyer has followed the course of action prescribed in either subdivision (a) or (b) and such course of action has not furnished the buyer with appropriate relief. In no event, shall the provisions of this subdivision be available to the buyer with regard to consumer goods with a wholesale price to the retailer of less than fifty dollars ($50).

In no event shall the buyer be responsible for service or repair costs charged by the independent repair or service facility which accepts service or repair of nonconforming consumer goods under this section. Such independent repair or service facility shall only hold the manufacturer liable for such costs.

(d) A retail seller to which any nonconforming consumer good is returned pursuant to subdivision (a) or (b) shall have the option of providing service or repair itself or directing the buyer to a reasonably close independent repair or service facility. In the event the retail seller directs the buyer to an independent repair or service facility, the manufacturer shall be liable for the reasonable cost of repair services in the manner provided in subdivision (c).

(e) In the event a buyer is unable to return nonconforming goods to the retailer due to reasons of size and weight, or method of attachment, or method of installation, or nature of the nonconformity, the buyer shall give notice of the nonconformity to the retailer. Upon receipt of such notice of nonconformity the retailer shall, at its option, service or repair the goods at the buyer's residence, or pick up the goods for service or repair, or arrange for transporting the goods to its place of business. The reasonable costs of transporting the goods shall be at the retailer's expense. The retailer shall be entitled to recover all such reasonable costs of transportation from the manufacturer pursuant to Section 1793.5. The reasonable costs of transporting nonconforming goods after delivery to the retailer until return of the goods to the buyer, when incurred by a retailer, shall be recoverable from the manufacturer pursuant to Section 1793.5. Written notice of nonconformity to the

retailer shall constitute return of the goods for the purposes of subdivisions (a) and (b).

(f) The manufacturer of consumer goods with a wholesale price to the retailer of fifty dollars ($50) or more for which the manufacturer has made express warranties shall provide written notice to the buyer of the courses of action available to him under subdivision (a), (b), or (c).

SEC. 4. Section 1793.6 is added to the Civil Code, to read:

1793.6. Except as otherwise provided in the terms of a warranty service contract, as specified in subdivision (a) of Section 1793.2, entered into between a manufacturer and an independent service and repair facility, every manufacturer making express warranties whose consumer goods are sold in this state shall be liable as prescribed in this section to every independent serviceman who performs services or incurs obligations in giving effect to the express warranties that accompany such manufacturer's consumer goods whether the independent serviceman is acting as an authorized service and repair facility designated by the manufacturer pursuant to paragraph (1) of subdivision (a) of Section 1793.2 or is acting as an independent serviceman pursuant to subdivisions (c) and (d) of Section 1793.3. The amount of such liability shall be an amount equal to the actual and reasonable costs of the service and repair, including any cost for parts and any reasonable cost of transporting the goods or parts, plus a reasonable profit. It shall be a rebuttable presumption affecting the burden of producing evidence that the reasonable cost of service or repair is an amount equal to that which is charged by the independent serviceman for like services or repairs rendered to service or repair customers who are not entitled to warranty protection. Any waiver of the liability of a manufacturer shall be void and unenforceable.

SEC. 5. Section 1794.1 of the Civil Code is amended to read:

1794.1. (a) Any retail seller of consumer goods injured by the willful or repeated violation of the provisions of this chapter may bring an action for the recovery of damages. Judgment may be entered for three times the amount at which the actual damages are assessed plus reasonable attorney fees.

(b) Any independent serviceman of consumer goods injured by the willful or repeated violation of the provisions of this chapter may bring an action for the recovery of damages. Judgment may be entered for three times the amount at which the actual damages are assessed plus reasonable attorney fees.

CHAPTER 417

An act to amend Section 18603 of the Health and Safety Code, relating to mobilehome parks.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 18603 of the Health and Safety Code is amended to read:

18603. There shall be a person available who shall be responsible for the operation and maintenance of the mobilehome park. In every mobilehome park with 50 or more units, the person or his or her designee shall reside in the mobilehome park and shall have knowledge of emergency procedures relative to utility systems and common facilities under the ownership and control of the owner of the park.

CHAPTER 418

An act to add Sections 3041, 3041.1, 3041.2, 3109, and 3153 to, and to repeal Sections 3041 and 3041.1 of, the Business and Professions Code, relating to optometry.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 3041 of the Business and Professions Code is repealed.

SEC. 2. Section 3041 is added to the Business and Professions Code, to read:

3041. The practice of optometry is the doing of any or all of the following:

(a) The examination of the human eye or eyes, or its or their appendages, and the analysis of the human vision system, either subjectively or objectively.

(b) The determination of the powers or range of human vision and the accommodative and refractive states of the human eye or eyes, including the scope of its or their functions and general condition.

(c) The prescribing or directing the use of, or using, any optical device in connection with ocular exercises, visual training, vision training, or orthoptics.

(d) The prescribing of contact and spectacle lenses for, or the fitting or adaptation of contact and spectacle lenses to, the human

eye, including lenses which may be classified as drugs by any law of the United States or of this state.

(e) The use of topical pharmaceutical agents for the sole purpose of the examination of the human eye or eyes for any disease or pathological condition. The State Board of Optometry, with the advice and consent of the Division of Allied Health Professions of the Board of Medical Quality Assurance, to be provided within six months of the effective date of this section, shall designate the specific topical pharmaceutical agents, known generically as mydriatics, cycloplegics, and topical anesthetics, to be used.

SEC. 3. Section 3041.1 is added to the Business and Professions Code, to read:

3041.1. (a) The State Board of Optometry with the advice and consent of the Division of Allied Health Professions of the Board of Medical Quality Assurance, to be provided within six months of the effective date of this section, shall adopt rules and regulations, including additional education qualifications, necessary to insure professional competence by those practitioners whose activities fall within the definition of the practice of optometry in subdivision (e) of Section 3041.

(b) Only those optometrists who have satisfactorily completed such courses and successfully passed an examination prepared and given by the State Board of Optometry, with the advice and consent of the Division of Allied Health Professions of the Board of Medical Quality Assurance, to be provided within six months of the effective date of this section, shall be permitted the use of such pharmaceutical agents as specified by subdivision (e) of Section 3041.

This section shall remain in effect until December 31, 1979, and on such date is repealed.

SEC. 4. Section 3041.2 is added to the Business and Professions Code, to read:

3041.2. The State Board of Optometry shall by regulation, with the advice and consent of the Division of Allied Health Professions of the Board of Medical Quality Assurance establish educational and examination requirements for licensure to insure the competence of optometrists to practice pursuant to subdivision (e) of Section 3041. Satisfactory completion of the educational and examination requirements shall be a condition for the issuance of an original certificate of registration under this chapter, on and after January 1, 1980. Only those optometrists who have successfully completed educational and examination requirements as determined by the State Board of Optometry with the advice and consent of the Division of Allied Health Professions of the Board of Medical Quality Assurance shall be permitted the use of pharmaceutical agents specified by subdivision (e) of Section 3041.

SEC. 5. Section 3109 is added to the Business and Professions Code, to read:

3109. It shall be unprofessional conduct for an optometrist to fail to refer a patient to an appropriate physician where an examination

of the eyes indicates a substantial likelihood of any pathology which requires the attention of the appropriate physician.

SEC. 6. Section 3153 is added to the Business and Professions Code, to read:

3153. Notwithstanding Section 3152, the fee for the examination required by Section 3041.1 shall not exceed thirty-five dollars ($35).

CHAPTER 419

An act to amend Section 13100 of the Welfare and Institutions Code, relating to public assistance, and making an appropriation therefor.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 13100 of the Welfare and Institutions Code is amended to read:

13100. Any applicant shall be entitled to an amount of aid which, when added to the income of the applicant from all other sources, equals the following:

(a) For an applicant or recipient an amount equal to the grant of a blind applicant or recipient under Article 5 (commencing with Section 12200) of Chapter 3 of this part plus cost-of-living adjustments and any other increases or decreases in such grant pursuant to Section 12201 or any other provision of law.

(b) For a married couple both qualifying for aid under this chapter an amount equal to the grant of a married couple both qualifying for aid under Article 5 (commencing with Section 12200) of Chapter 3 of this part as blind plus cost-of-living adjustments and other increases or decreases in such grant pursuant to Section 12201 or any other provision of law.

Annual net income from any of the following sources of a combined total value not exceeding two thousand four hundred dollars ($2,400) plus cost-of-living adjustments pursuant to this section, increased by one-half of that part of the recipient's annual income which is in excess of, such amount, shall not be considered for any purpose:

(a) Income from applicant's labor or services;

(b) The value of foodstuffs produced by the applicant or his family for his use or that of his family;

(c) The value of firewood or water, or both, produced on the premises of the applicant or given to him by another for the applicant's use;

(d) The value of gifts;

(e) The value of the use and occupancy of premises owned and

occupied by the applicant;

(f) The net income from real and personal property owned by the applicant.

Income in addition to the above specified shall be computed on the basis of net income. For the purpose of enabling and encouraging a greater number of recipients of aid under this chapter to become self-supporting, all expenditures incurred by an applicant for or a recipient of aid under this chapter in effecting his plan to become self-supporting, including payments made for the purchase of material for fixtures and equipment needed by him in effecting such plan, shall be deducted from gross income in computing his net income for purposes of this chapter; provided, such payments shall not be more than one hundred dollars ($100) per month.

SEC. 2. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 420

An act to amend Sections 241, 243, 245, and 830.2 of the Penal Code and 28767.5 of the Public Utilities Code, and to repeal Section 830.9 of the Penal Code, relating to peace officers, and making an appropriation therefor.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 241 of the Penal Code is amended to read:

241. An assault is punishable by fine not exceeding five hundred dollars ($500), or by imprisonment in the county jail not exceeding six months, or by both. When it is committed against the person of a peace officer or fireman, and the person committing the offense knows or reasonably should know that such victim is a peace officer or fireman engaged in the performance of his duties, and such peace officer or fireman is engaged in the performance of his duties, the offense shall be punished by imprisonment in the county jail not exceeding one year or by imprisonment in the state prison not exceeding two years.

As used in this section, "peace officer" refers to any person designated as a peace officer by Section 830.1, by subdivisions (a) to (e), inclusive, of Section 830.2, or by subdivision (a) of Section 830.6, as well as any policeman of the San Francisco Port Commission and each deputized law enforcement member of the Wildlife Protection

Branch of the Department of Fish and Game.

SEC. 2. Section 243 of the Penal Code is amended to read:

243. A battery is punishable by fine of not exceeding one thousand dollars ($1,000), or by imprisonment in the county jail not exceeding six months, or by both. When it is committed against the person of a peace officer or fireman, and the person committing the offense knows or reasonably should know that such victim is a peace officer or fireman engaged in the performance of his duties, and such peace officer or fireman is engaged in the performance of his duties, the offense shall be punished by imprisonment in the county jail not exceeding one year or by imprisonment in the state prison for not less than one nor more than 10 years. When it is committed against a person and serious bodily injury is inflicted on such person, the offense shall be punished by imprisonment in the county jail for a period of not more than one year or imprisonment in the state prison for a period of not more than five years.

As used in this section, "peace officer" refers to any person designated as a peace officer by Section 830.1, by subdivisions (a) to (e), inclusive, of Section 830.2, or by subdivision (a) of Section 830.6, as well as any policeman of the San Francisco Port Commission and each deputized law enforcement member of the Wildlife Protection Branch of the Department of Fish and Game.

As used in this section, "serious bodily injury" means a serious impairment of physical condition, including, but not limited to, the following: loss of consciousness; concussion; bone fracture; protracted loss or impairment of function of any bodily member or organ; a wound requiring extensive suturing; and serious disfigurement.

SEC. 3. Section 245 of the Penal Code is amended to read:

245. (a) Every person who commits an assault upon the person of another with a deadly weapon or instrument or by any means of force likely to produce great bodily injury is punishable by imprisonment in the state prison for six months to life, or in a county jail not exceeding one year, or by fine not exceeding five thousand dollars ($5,000), or by both such fine and imprisonment. When a person is convicted of a violation of this section, in a case involving use of a deadly weapon or instrument, and such weapon or instrument is owned by such person, the court may, in its discretion, order that the weapon or instrument be deemed a nuisance and shall be confiscated and destroyed in the manner provided by Section 12028.

(b) Every person who commits an assault with a deadly weapon or instrument or by any means likely to produce great bodily injury upon the person of a peace officer or fireman, and who knows or reasonably should know that such victim is a peace officer or fireman engaged in the performance of his duties, when such peace officer or fireman is engaged in the performance of his duties shall be punished by imprisonment in the state prison for six months to life; provided, that if such person has previously been convicted of a felony under the laws of this state or has previously been convicted

of an offense under the laws of any other state or of the United States which, if committed in this state, would have been punishable as a felony, he shall be punished by imprisonment in the state prison for five years to life.

As used in this section, "peace officer" refers to any person designated as a peace officer by Section 830.1, by subdivisions (a) to (e), inclusive, of Section 830.2, or by subdivision (a) of Section 830.6, as well as any policeman of the San Francisco Port Commission and each deputized law enforcement member of the Wildlife Protection Branch of the Department of Fish and Game.

SEC. 4. Section 830.2 of the Penal Code is amended to read:

830.2. (a) Any member of the California Highway Patrol is a peace officer whose authority extends to any place in the state; provided, that the primary duty of any such peace officer shall be the enforcement of the provisions of the Vehicle Code or of any other law relating to the use or operation of vehicles upon the highways, as that duty is set forth in the Vehicle Code. Provided further, that he shall not act as a peace officer in enforcing any other law except (i) when in pursuit of any offender or suspected offender or (ii) to make arrests for crimes committed in his presence or upon any highway or (iii) as provided in Sections 8597, 8598, and 8617 of the Government Code.

(b) Any member of the California State Police Division is a peace officer; provided, that the primary duty of any such peace officer shall be the protection of state properties and occupants thereof, and he shall not act as a peace officer in enforcing any law except (1) when in pursuit of any offender or suspected offender, (2) to make arrests for crimes committed in his presence or upon state properties, or (3) as provided in Sections 8597, 8598 and 8617 of the Government Code.

(c) Members of the California National Guard have the powers of peace officers when they are (1) called or ordered into active state service by the Governor pursuant to the provisions of Section 143 or 146 of the Military and Veterans Code, (2) serving within the area wherein military assistance is required, and (3) directly assisting civil authorities in any of the situations specified in Section 143 or 146. The authority of any such peace officer extends to the area wherein military assistance is required as to a public offense committed or which there is reasonable cause to believe has been committed within that area. The requirements of Section 1031 of the Government Code are not applicable under such circumstances.

(d) A member of the University of California Police Department appointed pursuant to Section 23501 of the Education Code is a peace officer whose authority extends to any place in the state; provided that the primary duty of any such peace officer shall be the enforcement of the law within the area specified in Section 23501 of the Education Code. Provided, further, that he shall not otherwise act as a peace officer in enforcing the law except (1) when in pursuit of any offender or suspected offender; (2) to make arrests otherwise

lawful for crimes committed, or which there is probable cause to believe have been committed, in his presence or within the area specified in Section 23501 of the Education Code; or (3) when, while in uniform such officer, as a peace officer, is requested by a peace officer or other person to render such assistance as is appropriate under such circumstances to the officer or other person making such request, or to act upon his complaint.

Notwithstanding any other provisions of this code, including but not limited to Section 830.3, the provisions of this subdivision shall govern the authority and jurisdiction of a member of the University of California Police Department as a peace officer.

(e) A member of a state college police department appointed pursuant to Section 24651 of the Education Code is a peace officer whose authority extends to any place in the state; provided that the primary duty of any such peace officer shall be the enforcement of the law within the area specified in Section 24651 of the Education Code. Provided, further, that he shall not otherwise act as a peace officer in enforcing the law except (1) when in pursuit of any offender or suspected offender; (2) to make arrests otherwise lawful for crimes committed, or which there is probable cause to believe have been committed, in his presence or within the area specified in Section 24651 of the Education Code; or (3) when, while in uniform such officer, as a peace officer, is requested by a peace officer or other person to render such assistance as is appropriate under such circumstances to the officer or other person making such request, or to act upon his complaint.

Notwithstanding any other provisions of this code, including but not limited to Section 830.3, the provisions of this subdivision shall govern the authority and jurisdiction of a member of a state college police department as a peace officer.

(f) A member of the San Francisco Bay Area Rapid Transit District Police Department appointed pursuant to Section 28767.5 of the Public Utilities Code is a peace officer whose authority extends to any place in the state; provided, that the primary duty of any such peace officer shall be the enforcement of the law in or about properties owned, operated or administered by the district when performing necessary duties with respect to patrons, employees and properties of the district. Provided, further, that he shall not otherwise act as a peace officer in enforcing the law except (1) when in pursuit of any offender or suspected offender from within or about properties owned, operated or administered by the district when performing necessary duties with respect to patrons, employees and properties of the district; (2) to make arrests otherwise lawful for crimes committed, or which there is probable cause to believe have been committed, in his presence or within or about properties owned, operated or administered by the district; or (3) when, while in uniform such officer, as a peace officer, is requested by a peace officer or other person to render such assistance as is appropriate under such circumstances to the officer or other person making such

request, or to act upon his complaint.

SEC. 5. Section 830.9 of the Penal Code is repealed.

SEC. 6. Section 28767.5 of the Public Utilities Code is amended to read:

28767.5. The district is authorized to maintain a police department. The employees of the district that are appointed as members of such department by the general manager and duly sworn are peace officers; provided, that such officers shall not exercise their powers or authority except as provided in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code. The district shall adhere to the standards for recruitment and training of peace officers established by the Commission on Peace Officer Standards and Training pursuant to Title 4 (commencing with Section 13500) of Part 4 of the Penal Code.

SEC. 7. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act pursuant thereto because the San Francisco Bay Area Rapid Transit District has requested this legislation.

CHAPTER 421

An act to amend Sections 3543.4, 3548.8, and 3549.1 of the Government Code, as added by Chapter 961 of the Statutes of 1975, and to amend Section 4 of Chapter 961 of the Statutes of 1975, relating to public school employer-employee relations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 3543.4 of the Government Code, as added by Chapter 961 of the Statutes of 1975, is amended to read:

3543.4. No person serving in a management position or a confidential position shall be represented by an exclusive representative. Any person serving in such a position shall have the right to represent himself individually or by an employee organization whose membership is composed entirely of employees designated as holding such positions, in his employment relationship with the public school employer, but, in no case, shall such an organization meet and negotiate with the public school employer. No representative shall be permitted by a public school employer to meet and negotiate on any benefit or compensation paid to persons serving in a management position or a confidential position.

SEC. 2. Section 3548.8 of the Government Code, as added by Chapter 961 of the Statutes of 1975, is amended to read:

3548.8. An arbitration award made pursuant to Section 3548.5, 3548.6, or 3548.7 shall be final and binding upon the parties and may be enforced by a court pursuant to Title 9 (commencing with Section 1280) of Part 3 of the Code of Civil Procedure.

SEC. 3. Section 3549.1 of the Government Code, as added by Chapter 961 of the Statutes of 1975, is amended to read:

3549.1. All the proceedings set forth in subdivisions (a) to (d), inclusive, shall be exempt from the provisions of Sections 965 and 966 of the Education Code, the Bagley Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3) and the Ralph M. Brown Act (Chapter 9 commencing with Section 54950) of Part 1 of Division 2 of Title 5, unless the parties mutually agree otherwise:

(a) Any meeting and negotiating discussion between a public school employer and a recognized or certified employee organization.

(b) Any meeting of a mediator with either party or both parties to the meeting and negotiating process.

(c) Any hearing, meeting, or investigation conducted by a factfinder or arbitrator.

(d) Any executive session of the public school employer or between the public school employer and its designated representative for the purpose of discussing its position regarding any matter within the scope of representation and instructing its designated representatives.

SEC. 4. Section 4 of Chapter 961 of the Statutes of 1975 is amended to read:

Sec. 4. Sections 3541 and 3541.3 of the Government Code, as added by Section 2 of this act, and Section 3 of this act, shall become operative on January 1, 1976. Sections 3541.5, 3543, 3543.1, 3543.5, 3543.6, 3544, 3544.1, 3544.3, 3544.5, 3544.7, and 3545 of the Government Code, as added by Section 2 of this act, shall become operative on April 1, 1976. Section 1 of this act and all other provisions of Section 2 of this act shall become operative on July 1, 1976.

SEC. 5. If additional funds are not appropriated to the Educational Employment Relations Board for the fiscal year 1975–76, such board shall not investigate, hear, or take any other action with regard to unfair labor practice charges, or other alleged violations of this chapter, until July 1, 1976. However, unfair labor practice charges may be filed with the board commencing April 1, 1976, and the time limitations regarding such filing contained in Section 3541.5 shall apply.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act makes important technical changes to Chapter 961 of the Statutes of 1975, which chapter will become operative, in pertinent parts, on April 1, and July 1, 1976. In order for the changes made by this act to also become operative on April 1, and July 1, 1976, it is

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necessary that this act take immediate effect.

CHAPTER 422

An act to amend Section 28456 of, to add Sections 28455.1 and 28455.2 to, and to add Article 11.5 (commencing with Section 28520) to Chapter 6 of Division 20 of, the Education Code, relating to school library districts.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 28455.1 is added to the Education Code, to read:

28455.1. The board of supervisors may divide the principal amount of any issue into two or more series and fix different dates for the bonds of each series. The bonds of one series may be made payable at different times from those of any other series.

SEC. 2. Section 28455.2 is added to the Education Code, to read:

28455.2. The board of supervisors may provide for redemption of bonds before maturity at prices determined by it. A bond shall not be subject to call or redemption prior to maturity unless it contains a recital to that effect.

SEC. 3. Section 28456 of the Education Code is amended to read:

28456. The bonds shall be sold in the manner prescribed by the board of supervisors, but for not less than 95 percent of par.

SEC. 4. Article 11.5 (commencing with Section 28520) is added to Chapter 6 of Division 20 of the Education Code, to read:

Article 11.5. Sale of Unsold Bonds

28520. When the board of trustees of the library district determines that the purpose and object of the bonds has been accomplished, it may request the board of supervisors to cause any unsold bonds to be issued and sold and the proceeds thereof used for any or all of the purposes set forth in Section 28401.

28521. Upon receiving the request, signed by a majority of the members of the board of trustees, the supervisors shall fix a time for hearing the request, which shall not be more than 30 days thereafter, and shall cause a notice, stating the time and place of hearing, and the object of the request in general terms, to be published for 10 days prior to the day of hearing in a newspaper published in the library district, if there is one, and if there is no newspaper published in the library district, then in a newspaper published at the county seat of the county in which the library district or part thereof is situated.

28522. At the time and place designated in the notice for hearing

the request, or at any subsequent time to which the hearing may be postponed, the supervisors shall hear any reasons that may be submitted for or against the granting of the request. If, before the conclusion of the hearing, a petition signed by registered voters within the district equal to not less than 10 percent of the vote cast within the boundaries of the district for all candidates for governor at the last gubernatorial election requesting an election is not filed, the board of supervisors may, if they determine it to be for the best interests of the library district, grant the request. In such event, they shall make and enter an order in the minutes of their proceedings that the unsold bonds shall be sold and the proceeds used for the purposes specified in the request.

28523. In the event a petition, as set forth in Section 28522, is filed, the board of supervisors shall not grant the request without first submitting the question to the voters in the same manner and with the same effect as provided for a referendum by the electors of a district pursuant to Section 5200 of the Elections Code.

CHAPTER 423

An act to amend Section 423 of the Revenue and Taxation Code, relating to property taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 423 of the Revenue and Taxation Code is amended to read:

423. Except as provided in Section 423.7, when valuing enforceably restricted open-space land, other than land used for the production of timber for commercial purposes, the board for purposes of surveys required by Section 1815 of this code and the county assessor shall not consider sales data on lands, whether or not enforceably restricted, but shall value such lands by the capitalization of income method in the following manner:

(a) The annual income to be capitalized shall be determined as follows:

(1) Where sufficient rental information is available the income shall be the fair rent which can be imputed to the land being valued based upon rent actually received for the land by the owner and upon typical rentals received in the area for similar land in similar use, where the owner pays the property tax. When the land being valued is actually encumbered by a lease, any cash rent or its equivalent considered in determining the fair rent of the land shall be the amount for which the land would be expected to rent were

the rental payment to be renegotiated in the light of current conditions including applicable provisions under which the land is enforceably restricted.

(2) Where sufficient rental information is not available, the income shall be that which the land being valued reasonably can be expected to yield under prudent management and subject to applicable provisions under which the land is enforceably restricted. There shall be a rebuttable presumption that "prudent management" does not include use of the land for a recreational use, as defined in subdivision (n) of Section 51201 of the Government Code, unless the land is actually devoted to such use.

(3) Notwithstanding any other provision herein, if the parties to an instrument which enforceably restricts the land stipulate therein an amount which constitutes the minimum annual income per acre to be capitalized, then the income to be capitalized shall not be less than the amount so stipulated.

For the purposes of this section income shall be determined in accordance with rules and regulations issued by the board and with this section and shall be the difference between revenue and expenditures. Revenue shall be the amount of money or money's worth, including any cash rent or its equivalent, which the land can be expected to yield to an owner-operator annually on the average from any use of the land permitted under the terms by which the land is enforceably restricted including, but not limited to, that from the production of salt and from typical crops grown in the area during a typical rotation period, not to exceed six years including the tax year and the next succeeding five years. When the land is planted to fruit-bearing or nut-bearing trees, vines, bushes or perennial plants, the revenue shall not be less than the land would be expected to yield to an owner-operator from other typical crops grown in the area during a typical rotation period, not to exceed six years including the tax year and the next succeeding five years. Proceeds from the sale of the land being valued shall not be included in the revenue from the land.

Expenditures shall be any outlay or average annual allocation of money or money's worth that can be fairly charged against the revenue expected to be received during the period used in computing such revenue. Those expenditures to be charged against revenue shall be only those which are ordinary and necessary in the production and maintenance of the revenue for that period. Expenditures shall not include depletion charges, debt retirement, interest on funds invested in the land, interest on funds invested in trees and vines valued as land as provided by Section 429, property taxes, corporation income taxes, or corporation franchise taxes based on income. When the income used is from operating the land being valued or from operating comparable land, amounts shall be excluded from the income to provide a fair return on capital investment in operating assets other than the land, to amortize depreciable property, and to fairly compensate the owner-operator

for his operating and managing services.

(b) The capitalization rate to be used in valuing land pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and which was the yield rate for long-term United States government bonds, as most recently published by the Federal Reserve Board, rounded to the nearest one-quarter (¼) percent.

(2) A risk component which shall be a percentage determined on the basis of the location and characteristics of the land, the crops to be grown thereon and the provisions of any lease or rental agreement to which the land is subject; and

(3) A component for property taxes which shall be a percentage equal to the estimated total tax rate applicable to the land for the assessment year times the assessment ratio.

(4) A component for amortization of any investment in perennials over their estimated economic life when the total income from land and perennials other than timber exceeds the yield from other typical crops grown in the area.

(c) The value of the land shall be the quotient of the income determined as provided in subdivision (a) divided by the capitalization rate determined as provided in subdivision (b).

(d) The ratio prescribed in Section 401 shall be applied to the value of the land determined in subdivision (c) to obtain its assessed value.

SEC. 2. Notwithstanding Sections 54902, 54902.1, and 54903 of the Government Code, an annexation of territory to a city in 1975 shall be effective for assessment and taxation purposes for the 1976–77 fiscal year, provided that the required statement and map or plat are filed on or before January 15, 1976.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that assessment and taxation of property in cities may be accomplished in fiscal year 1976–77 in accordance with city boundary changes which have taken place but which were defective in certain minor respects, it is necessary that this act take effect immediately.

CHAPTER 424

An act to amend Section 15525 of the Corporations Code, relating to limited partnerships.

[Approved by Governor July 9, 1976 Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 15525 of the Corporations Code is amended to read:

15525. (1) The writing to amend a certificate shall

(a) Conform to the requirements of paragraph (a) of subdivision (1) of Section 15502 as far as necessary to set forth clearly the change in the certificate which it is desired to make, and

(b) Be signed and acknowledged by all members, and an amendment substituting a limited partner or adding a limited or general partner shall be signed also by the member to be substituted or added, and when a limited partner is to be substituted, the amendment shall also be signed by the assigning limited partner. The signing of such writing by a limited partner may be in person or for him by an attorney in fact, who may but need not be a member of the partnership, who shall acknowledge such signature as such attorney in fact.

(2) The writing to cancel a certificate shall be signed by all members. The signing of such writing by a limited partner may be in person or for him by an attorney in fact, who may but need not be a member of the partnership, who shall acknowledge such signature as such attorney in fact.

(3) A person desiring the cancellation or amendment of a certificate, if any person designated in subdivisions (1) and (2) as a person who must execute the writing refuses to do so, may petition the superior court in the county where the principal place of the partnership is situated to direct a cancellation or amendment thereof.

(4) If the court finds that the petitioner has a right to have the writing executed by a person who refuses to do so, it shall order the county recorder of the county in which the original certificate is recorded to record the cancellation or amendment of the certificate; and where the certificate is to be amended, the court shall also cause to be filed for record in said office a certified copy of its decree setting forth the amendment.

(5) A certificate is amended or canceled when there is recorded in the office referred to in paragraph (b) of subdivision (1) of Section 15502:

(a) A writing in accordance with the provisions of subdivision (1) or (2), or

(b) A certified copy of the order of court in accordance with the provisions of subdivision (4). Provided, however, that such amendment or cancellation shall be void as against a purchaser or encumbrancer in good faith and for value of real property in a "different county" referred to in subdivision (3) of Section 15502, whose conveyance is duly recorded before such recorded writing, or a copy thereof certified by the recorder in whose office it is recorded, or a certified copy of such court order, has been recorded in the office of the recorder in such different county.

(6) After the certificate is duly amended in accordance with this section, the amended certificate shall thereafter be for all purposes the certificate provided for by this act except as to a purchaser or encumbrancer in good faith and for value under the circumstances set forth in the proviso to subdivision (5).

CHAPTER 425

An act to add Section 7658 to the Public Utilities Code, relating to railroads.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 7658 is added to the Public Utilities Code, to read:

7658. No city or county or city and county ordinance which establishes a limit on the speed of passenger trains shall be valid unless that ordinance has been approved by the commission.

SEC. 2. This act shall become operative on January 1, 1978.

CHAPTER 426

An act to amend Sections 12400, 14150, and 14150.5 of the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1976 Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 12400 of the Welfare and Institutions Code is amended to read:

12400. (a) For the 1974–75 fiscal year, the county share toward the cost of state supplementary aid provided under this chapter shall be the amount specified for the particular county in the following table:

Alameda	$7,025,338
Alpine	4,947
Amador	38,704
Butte	670,251
Calaveras	77,181
Colusa	49,813

Contra Costa	3,476,380
Del Norte	114,534
El Dorado	250,723
Fresno	2,904,906
Glenn	68,691
Humboldt	720,054
Imperial	470,331
Inyo	72,676
Kern	2,185,196
Kings	388,717
Lake	200,967
Lassen	74,308
Los Angeles	46,323,058
Madera	461,328
Marin	579,850
Mariposa	29,298
Mendocino	353,434
Merced	707,640
Modoc	43,587
Mono	12,975
Monterey	923,764
Napa	415,106
Nevada	179,187
Orange	3,060,075
Placer	367,389
Plumas	73,565
Riverside	2,669,507
Sacramento	4,872,097
San Benito	73,296
San Bernardino	3,090,547
San Diego	5,367,654
San Francisco	9,468,300
San Joaquin	2,617,685
San Luis Obispo	539,061
San Mateo	2,258,583
Santa Barbara	1,077,275
Santa Clara	4,656,892
Santa Cruz	755,346
Shasta	588,992
Sierra	9,556
Siskiyou	180,859
Solano	691,459
Sonoma	1,118,960
Stanislaus	1,523,171
Sutter	213,560
Tehama	179,320
Trinity	36,021
Tulare	1,606,935
Tuolumne	113,202

Ventura	1,188,797
Yolo	462,791
Yuba	316,161
	$118,000,000

For the fiscal year 1973–74, each county's share shall be 45 percent of the amount specified in the above table for the particular county. Beginning with the fiscal year 1975–76, the amount payable by each county in each subsequent year shall be determined by multiplying the 1974–75 base-year amount by the ratio of the county's modified assessed value in the subsequent year to the county's modified assessed value in the base year.

(b) The term "modified assessed value" means the total of (1) the taxable assessed value of state-assessed property and the exempt assessed value of partially or totally exempt state-assessed property on which tax losses are reimbursed by the state and (2) the product of the sum of (i) the taxable assessed value of county-assessed property, (ii) the exempt assessed value of partially or totally exempt county-assessed property on which tax losses are reimbursed by the state, and (iii) the sum of assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code times the average of the factor certified for the current year under Section 17261 of the Education Code for the local roll of the county with the factors so certified for the two immediately preceding years. The assessed valuation equivalents of Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the county's secured tax rate for the prior year.

The State Controller shall determine the amount payable by each particular county in subsequent fiscal years under this section.

(c) The counties' share toward the cost of care and administration provided under this chapter shall be paid to the state monthly.

SEC. 2. Section 14150 of the Welfare and Institutions Code is amended to read:

14150. (a) For the 1971–72 fiscal year, the county share toward the cost of care and administration provided under this chapter shall be the amount specified for the particular county in the following table:

Alameda	$11,832,000
Alpine	5,000
Amador	156,000
Butte	952,000
Calaveras	215,000
Colusa	142,000
Contra Costa	6,018,000
Del Norte	123,000

El Dorado	359,000
Fresno	6,873,000
Glenn	187,000
Humboldt	1,200,000
Imperial	430,000
Inyo	241,000
Kern	5,233,000
Kings	740,000
Lake	132,000
Lassen	124,000
Los Angeles	99,975,000
Madera	661,000
Marin	1,120,000
Mariposa	33,000
Mendocino	550,000
Merced	1,545,000
Modoc	120,000
Mono	31,000
Monterey	2,595,000
Napa	550,000
Nevada	425,000
Orange	10,395,000
Placer	913,000
Plumas	220,000
Riverside	5,160,000
Sacramento	8,627,000
San Benito	181,000
San Bernardino	6,462,000
San Diego	8,050,000
San Francisco	15,268,000
San Joaquin	7,390,000
San Luis Obispo	1,443,000
San Mateo	5,600,000
Santa Barbara	2,470,000
Santa Clara	9,400,000
Santa Cruz	1,335,000
Shasta	660,000
Sierra	13,000
Siskiyou	390,000
Solano	796,000
Sonoma	2,250,000
Stanislaus	2,630,000
Sutter	770,000
Tehama	290,000
Trinity	107,000
Tulare	2,845,000
Tuolumne	284,000
Ventura	2,776,000
Yolo	1,050,000
Yuba	750,000

The amount payable by each county in each subsequent year beginning with the 1972–73 fiscal year shall be determined by multiplying the base-year amount by the ratio of the county's modified assessed value in the subsequent year to the county's modified assessed value in the base year. The term "modified assessed value" means the total of (a) the taxable assessed value of state-assessed property and the exempt assessed value of partially or totally exempt state-assessed property on which tax losses are reimbursed by the state and (b) the product of the sum of (1) the taxable assessed value of county-assessed property, (2) the exempt assessed value of partially or totally exempt county-assessed property on which tax losses are reimbursed by the state, and (3) the sum of the assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code times the average of the factor certified for the current year under Section 17261 of the Education Code for the local roll of the county with the factors so certified for the two immediately preceding years. The assessed valuation equivalents of Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the county's secured tax rate for the prior year.

The State Controller shall determine the amount payable by each particular county in subsequent fiscal years under this section.

(b) As used in this section, the terms "eligible" and "eligibles" mean all persons who are public assistance recipients, and all persons eligible under Sections 14005.2, 14005.3, 14005.4, and 14005.6, and all persons eligible under Section 14005.7 who are certified for Medi-Cal coverage by the department.

(c) The counties' share toward the cost of care and administration provided under this chapter shall be paid to the state monthly.

(d) Notwithstanding the provisions of Sections 5707, 5709.5, 5710, and 5714 of the Welfare and Institutions Code, payment for the costs of health care services provided under Part 2, Division 5, of the Welfare and Institutions Code, the Short-Doyle Act, shall be made in accordance with the provisions of this section.

(e) Notwithstanding the provisions of Section 7511 of the Welfare and Institutions Code, payment for the share of costs of health care services provided under Chapter 4, Division 7, of the Welfare and Institutions Code, shall be made in accordance with the provisions of this section.

SEC. 3. Section 14150.5 of the Welfare and Institutions Code is amended to read:

14150.5. Notwithstanding the provisions of Section 14150, commencing with the 1974–75 fiscal year, no county shall be required to pay as the county share toward the cost of care and administration in any fiscal year under Section 14150 an amount which would exceed

the amount produced by a property tax rate of sixty cents ($0.60) per one hundred dollars ($100) of modified assessed value of property in the county for the 1974-75 fiscal year and for each subsequent fiscal year. The term "modified assessed value" means the total of (a) the taxable assessed value of state-assessed property and the exempt assessed value of partially or totally exempt state-assessed property on which tax losses are reimbursed by the state and (b) the product of the sum of (1) the taxable assessed value of county-assessed property, (2) the exempt assessed value of partially or totally exempt county-assessed property on which tax losses are reimbursed by the state, and (3) the sum of the assessed valuation equivalents of revenue amounts certified pursuant to Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code times the average of the factor certified for the current year under Section 17261 of the Education Code for the local roll of the county with the factors so certified for the two immediately preceding years. The assessed valuation equivalents of Section 27423 of the Government Code and Section 38905 of the Revenue and Taxation Code shall be derived by multiplying such amounts by a factor of 100 and dividing the product by the county's secured tax rate for the prior year.

Any relief to the county under this section shall be first used to reduce the amount owing by any county of the 15th class to the state under the Medi-Cal program.

SEC. 4. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to make the various financial determinations that are required by August, it is necessary that this act take immediate effect.

CHAPTER 427

An act to add Section 856.6 to the Government Code, relating to health programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1976 Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 856.6 is added to the Government Code, to read:

856.6. (a) A public entity, public employee, or volunteer, participating in the National Influenza Program of 1976, shall not be liable for an injury caused by an act or omission in the promotion of a community program or the administration of vaccine in a community program, including the residual effects of the vaccine, unless the act or omission constitutes willful misconduct.

(b) All promotions of a community program and oral and written information provided for purposes of consent to a person requesting inoculation shall contain notice of the provisions of subdivision (a) of this section. In the event the person to be inoculated is a minor, the parents or legal guardian of said minor must be informed orally or in writing of the provisions of subdivision (a) of this section and said parents or legal guardian must consent in writing to the inoculation of said minor person. The State Department of Health shall prescribe a form to be used in community programs which notifies a person of the provisions of subdivision (a) and contains a provision by which the person acknowledges that he has been so notified and understands the legal effect of the subdivision.

(c) As used in the section:

(1) "Community program" means a public program conducted by a state, city, county, or district health agency under the National Influenza Program of 1976 or a public or private organization which has entered into a contract with a state, city, county, or district health agency, with the approval of the State Department of Health, to provide services pursuant to the National Influenza Program of 1976.

(2) "Volunteer" means a licensed health professional, licensed health facility, organization, or individual participating in a community program.

(d) Notwithstanding any other provision of law, an individual authorized by the State Department of Health may administer influenza vaccine under the supervision of a licensed health professional in a community program using a jet injection apparatus.

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

Scientists and public health authorities have concluded that there is a danger of an epidemic of influenza comparable in morbidity and mortality to the influenza pandemic of 1918–1919, due to an influenza virus known as A/New Jersey/76 (Hswl N1), commonly known as swine flu, with a potential commencement date of late fall of 1976. In response to this crisis the United States Congress has enacted the National Influenza Program of 1976, which establishes a mass immunization program for the United States. The federal law provides for distribution of the vaccine to the states free of charge, but it does not provide sufficient funds to reimburse the states or local agencies for the program costs of mass immunization. In

California both state and local budgets are inadequate to finance mass immunization programs, unless health care providers of all categories are asked to volunteer their services, and unless local health departments can be relieved of the expense of potential liability associated with administration of the vaccine. It is evident that a sufficient number of volunteers will not be available unless statutory protection is afforded to them against potential liability.

Although there have been almost no reported cases to date of any serious side effects associated with administration of any type of influenza vaccine, claims for alleged damage associated with the vaccine may be expected due to the unprecedentedly large number of people who will be immunized.

For these reasons, and to assure public health and to assure that the disaster of 1918–19 will not be repeated, this act must take effect immediately.

CHAPTER 428

An act to add Section 3364.6 to, and to amend Section 139.5 of, the Labor Code, relating to workers' compensation.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 139.5 of the Labor Code is amended to read:

139.5. (a) The Administrative Director shall establish within the Division of Industrial Accidents a rehabilitation unit, which shall include appropriate professional staff, and which shall have all of the following duties:

(1) To foster, review, and approve rehabilitation plans developed by a qualified rehabilitation representative of the employer, insurance carrier, state agency, or employee.

(2) To adopt rules and regulations which would expedite and facilitate the identification, notification, and referral of industrially injured employees to rehabilitation services.

(3) To coordinate and enforce the implementation of rehabilitation plans.

(b) The salaries of the personnel of the rehabilitation unit shall be fixed by the State Personnel Board.

(c) When a qualified injured workman chooses to enroll in a rehabilitation program, he shall continue to receive temporary disability indemnity payments, plus additional living expenses necessitated by the rehabilitation program, together with all reasonable and necessary vocational training, at the expense of the employer or the insurance carrier, as the case may be.

(d) No provision of this section nor of any rule, regulation, or rehabilitation plan developed or promulgated under this section nor any benefit provided pursuant to this section shall apply to any injured employee whose injury occurred prior to January 1, 1975. Nothing in this section shall affect any plan, benefit, or program authorized by this section as added by Chapter 1513 of the Statutes of 1965 or as amended by Chapter 83 of the Statutes of 1972.

SEC. 2. Section 3364.6 is added to the Labor Code, to read:

3364.6. Notwithstanding Sections 3351 and 3352, juvenile traffic offenders pursuant to Section 564 of the Welfare and Institutions Code, or juvenile probationers pursuant to subdivision (a) of Section 725 of the Welfare and Institutions Code, engaged in rehabilitative work without pay, under an assignment by order of the juvenile court to a work project on public property within the jurisdiction of any governmental entity, including the federal government, shall, upon the adoption of a resolution of the board of supervisors declaring that such traffic offenders or probationers, or both such groups, shall be deemed employees of the county for purposes of this division, be entitled to the workers' compensation benefits provided by this division for injury sustained while in the performance of such assigned work project, provided:

(a) That such traffic offender or probationer shall not be entitled to any temporary disability indemnity benefits.

(b) That in determining permanent disability benefits, average weekly earnings shall be taken at the minimum provided therefor in Section 4453.

CHAPTER 429

An act to amend Sections 6002 6460, 10011, 10013, 10213, 10217, 14427, and 15793 of, and to add Part 6 (commencing with Section 9600) to Division 6 of, the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1976 Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 6002 of the Elections Code is amended to read:

6002. This chapter shall apply to the Republican Party and, except as provided in Section 9956, to any other qualified political party for which presidential primary provisions are not expressly provided for by this code.

SEC. 2. Section 6460 of the Elections Code is amended to read:

6460. A statement of the number of voters in his county at the close of registration on the 19th day prior to the transmission of such

statement shall be transmitted to the Secretary of State by each county clerk at the following times:

(a) On the 135th day before each presidential primary and before each direct primary.

(b) On the 35th day before each statewide election.

The statement shall show the total number of voters in the county, the number registered as affiliated with each political party, political body, and the number who declined to state a party affiliation.

The statement shall also show the number of voters, by party affiliations, in each city, Assembly district, senatorial district, supervisorial district, and congressional district located in whole or in part within the county.

The Secretary of State, on the basis of the statements transmitted to him by the county clerks, and within 30 days after receiving such statements, shall compile a statewide list showing the number of voters, by party affiliations, in the state and in each county, city, Assembly district, senatorial district, congressional district, and supervisorial district in the state. A copy of this list shall be made available, upon request, to any elector of this state.

SEC. 3. Part 6 (commencing with Section 9950) is added to Division 6 of the Elections Code, to read:

PART 6. OTHER POLITICAL PARTIES

9950. The provisions of this part shall apply to political parties not otherwise provided for in the division.

9951. Whenever a group of electors desires to qualify a new political party meeting the requirements of Section 6430, said group shall form a political body by:

(a) Holding a caucus or convention at which temporary officers shall be elected and a party name designated, which name shall not conflict with that of any existing party or political body which has previously filed notice pursuant to subdivision (b).

(b) Filing formal notice with the Secretary of State that the political body has organized, elected temporary officers, and declared an intent to qualify a political party pursuant to Section 6430. The notice shall include the names and addresses of the temporary officers of the political body.

9952. Upon receipt of the notice specified in Section 9951, the Secretary of State shall notify each county clerk of the name of the political body and its intent to qualify as a political party.

In preparing the statement of voters and their political affiliations, the county clerks shall tabulate by political affiliation the affidavits of registration of members of political parties qualified pursuant to Section 6430, and political bodies formally declaring an intent to qualify as political parties pursuant to Section 9951. All other affidavits of registration, except those of persons declining to state a political affiliation, shall be tabulated as miscellaneous registrations.

9953. A political body within the first 70 days after filing the

formal notice required by Section 9951, is entitled upon request to the Secretary of State, to have counted toward its qualification as a political party affidavits of registration in which voters declared affiliation with the political body prior to the date the political body filed the formal notice with the Secretary of State.

9954. If by the 135th day before any primary election, a political body filing notice pursuant to Section 9951 has not qualified as a political party pursuant to Section 6430, the political body shall be considered to have abandoned its attempt to qualify as a political party and shall be ineligible to participate in the following primary.

9955. Until otherwise provided for by statute, a political party newly qualified pursuant to Section 6430 shall carry on its activities in accordance with procedures applicable to such other political party which has detailed statutory provisions applicable to its operation as shall be designated by the newly qualified party. The temporary officers of the newly qualified political party elected pursuant to Section 9951 shall file notice of such selection with the Secretary of State at least 30 days after the political party qualifies.

9956. Any political party newly qualifying pursuant to Section 6430 shall conduct its presidential primary election in accordance with procedures applicable to such other political party which has detailed statutory provisions applicable to its presidential primary as shall be designated by the newly qualified party.

If a newly qualified political party has not elected permanent officers, the temporary officers shall notify, on or before February 1 of the presidential primary year, the Secretary of State of the designated procedures the party has selected for its presidential primary.

SEC. 4. Section 10011 of the Elections Code is amended to read:

10011. Notwithstanding the provisions of Sections 10007, 10008, 10010, and 10012, sample ballots and candidates' statements need not be mailed to voters who registered after the 54th day before an election, but all such voters shall receive polling place notices and state ballot pamphlets. Each such voter shall receive a notice in bold print that states: "Because you are a late registrant, you are not receiving a sample ballot or candidates' statements."

SEC. 5. Section 10013 of the Elections Code is amended to read:

10013. Each voter's pamphlet prepared pursuant to Section 10012 shall contain a statement in the heading of the first page in heavy-faced gothic type, not smaller than 10-point, that (1), the pamphlet does not contain a complete list of candidates and that a complete list of candidates appears on the sample ballot (if any candidate is not listed in the pamphlet); and that (2), each candidate's statement in the pamphlet is volunteered by the candidate, and (if printed at the candidate's expense) is printed at his expense.

SEC. 6. Section 10213 of the Elections Code is amended to read:

10213. The order of precedence of offices on the ballot shall be as listed below for those offices and measures which apply to the

election for which this ballot is provided. Beginning in the column to the left:

(a) Under the heading, PRESIDENT AND VICE PRESIDENT:

(1) Nominees of the qualified political parties for President and Vice President.

(b) Under the heading, DELEGATES TO NATIONAL CONVENTION:

(1) Names of the presidential candidates to whom the delegates are pledged.

(2) Names of chairmen of unpledged delegations.

(c) Under the heading, STATE:

(1) Governor

(2) Lieutenant Governor

(3) Secretary of State

(4) Controller

(5) Treasurer

(6) Attorney General

(7) Member, State Board of Equalization

(d) Under the heading, CONGRESSIONAL:

(1) United States Senator

(2) Representative in Congress

(e) Under the heading, STATE LEGISLATURE:

(1) State Senator

(2) Member of the Assembly

(f) Under the heading, COUNTY COMMITTEE:

Members of County Central Committee

(g) Under the heading, JUDICIAL:

(1) Chief Justice of California

(2) Associate Justice of the Supreme Court

(3) Presiding Justice, Court of Appeal

(4) Associate Justice, Court of Appeal

(5) Judge of the Superior Court

(6) Judge of the Municipal Court

(7) Judge of the Justice Court

(8) Marshal

(9) Constable

(h) Under the heading, SCHOOL:

(1) State Superintendent of Public Instruction

(2) County Superintendent of Schools

(3) County Board of Education Members

(4) College District Governing Board Members

(5) Unified District Governing Board Members

(6) High School District Governing Board Members

(7) Elementary District Governing Board Members

(i) Under the heading, COUNTY:

(1) County Supervisor

(2) Other offices in alphabetical order by the title of the office.

(j) Under the heading, CITY:

(1) Mayor

(2) Member, City Council

(3) Other offices in alphabetical order by the title of the office.

(k) Under the heading, DISTRICT:

Directors or trustees for each district in alphabetical order according to the name of the district.

(*l*) Under the heading, MEASURES SUBMITTED TO VOTE OF VOTERS and the appropriate heading from subdivisions (a) through (k), above, ballot measures in the order, state through district shown above, and within each jurisdiction, in the order prescribed by the official certifying them for the ballot.

The only exception to the above order of precedence of offices shall be that in the case of county offices the county clerk may place the office of county supervisor after the other county offices in order to make the most efficient use of space on the ballot.

SEC. 7. Section 10217 of the Elections Code is amended to read:

10217. The Secretary of State shall conduct a drawing of the letters of the alphabet, the result of which shall be known as a randomized alphabet. The procedure shall be as follows:

(a) Each letter of the alphabet shall be written on a separate slip of paper each of which shall be folded and inserted into a capsule. Each capsule shall be opaque and of uniform weight, color, size, shape, and texture. The capsules shall be placed in a container which shall be shaken vigorously in order to mix them thoroughly. The container then shall be opened and the capsules removed at random one at a time. As each is removed, it shall be opened and the letter on the slip of paper read aloud and written down. The resulting random order of letters constitutes the randomized alphabet which is to be used in the same manner as the conventional alphabet in determining the order of all candidates in all elections. For example, if two candidates with the surnames Campbell and Carlson are running for the same office, their order on the ballot will depend on the order in which the letters M and R were drawn in the randomized alphabet drawing.

(b) There shall be six such drawings, three in each even-numbered year and three in each odd-numbered year. Each drawing shall be held at 11 a.m. on the date specified in this subdivision. The results of each drawing shall be mailed immediately to each county clerk or other official responsible for conducting an election to which the drawing is applicable who shall use it in determining the order on the ballot of the names of the candidates for office.

The first such drawing shall take place on the Monday following the first day of January in an even-numbered year and shall apply to the March general law city elections and any other elections held at the same time.

The second shall take place on the 82nd day before the direct primary in June of an even-numbered year and shall apply to all candidates on the ballot in that election.

The third shall take place on the 63rd day before the November

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general election of an even-numbered year and shall apply to all candidates on the ballot in the November general election.

In the case of the June primary election and the November general election, the Secretary of State shall certify and transmit to each county clerk the order in which the names of federal and state candidates, with the exception of candidates for State Senate and Assembly, shall appear on the ballot. The clerk shall determine the order on the ballot of all other candidates using the appropriate randomized alphabet for that purpose.

The fourth drawing shall take place on the Monday following the first day of January in an odd-numbered year and shall apply to all candidates on the ballot in the elections held on the first Tuesday after the first Monday in March of that year.

The fifth drawing shall take place on the first Monday in April of the odd-numbered year and shall apply to all candidates on the ballot in elections held on the last Tuesday in May of that year.

The sixth shall take place on the second Monday in September of the odd-numbered year and shall apply to all candidates on the ballot in the November elections conducted under the Uniform District Election Law and any other elections held at the same time.

In the event there is to be an election of candidates to a special district, school district, charter city, or other local government body at the same time as one of the six major election dates specified above and the last possible day to file nomination papers for the local election would occur after the date of the drawing for the major election date, the procedure set forth in Section 10217.5 shall apply.

(c) Each randomized alphabet drawing shall be open to the public. At least 10 days prior to a drawing, the Secretary of State shall notify the news media and other interested parties of the date, time, and place of it. The president of each statewide association of local officials with responsibilities for conducting elections shall be invited by the Secretary of State to attend each drawing or send a representative. The state chairman of each qualified political party shall be invited to attend or send a representative in the case of drawings held to determine the order of candidates on the June primary election ballot, the November general election ballot, or a special election ballot as provided for in subdivision (d) of this section.

(d) In the case of any special election for State Assembly, State Senate, or Representative in Congress, on the first Monday after the close of filing of nomination papers for the office, the Secretary of State shall conduct a public drawing to produce a randomized alphabet in the same manner as provided for in subdivisions (a) and (c) of this section. The resulting randomized alphabet shall be used for determining the order on the ballot of the candidates in both the primary election for the special election and in the special election.

SEC. 8. Section 14427 of the Elections Code is amended to read:

14427. If a voter spoils or defaces a ballot, he shall at once return it to the ballot clerk and receive another. A voter shall not receive

more than a total of three ballots, including his original ballot, in this manner.

SEC. 9. Section 15793 of the Elections Code is amended to read:

15793. If a voter spoils or defaces a ballot card or marks it erroneously, he shall return the card with stub folded so as not to disclose any choices that he has made, and receive another. A voter shall not receive more than a total of three ballots, including his original ballot, in this manner. The precinct board shall immediately cancel the spoiled ballot card by writing on the back of the ballot card the word "spoiled" in ink or indelible pencil, and without detaching the ballot stub, shall place the ballot in the container for spoiled ballots in a manner that does not expose the choices of the voter.

SEC. 10. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of this act may apply to elections conducted in 1976, it is necessary for this act to take effect immediately.

CHAPTER 430

An act to add Chapter 2.7 (commencing with Section 4270) to Part 2 of Division 5 of the Health and Safety Code and to repeal Section 35005 of the Government Code, relating to solid waste.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 35005 of the Government Code is repealed.

SEC. 2. Chapter 2.7 (commencing with Section 4270) is added to Part 2 of Division 5 of the Health and Safety Code, to read:

CHAPTER 2.7. SOLID WASTE ENTERPRISES

4270. Unless the context otherwise requires, the following definitions shall govern the construction of this chapter:

(a) "Exclusive solid waste handling services" means any action by a local agency, whether by franchise, contract, license, permit, or

otherwise, whereby the agency itself or one or more other designated local agencies or designated solid waste enterprises shall have the exclusive right to provide solid waste handling services of any class or type within all or any part of the territory of the local agency.

(b) "Local agency" means any county, city and county, city, or special district having power to provide solid waste handling services either by the agency itself or by authorizing or permitting other local agencies or solid waste enterprises to provide solid waste handling services.

(c) "Solid waste" means all putrescible and nonputrescible solid and semisolid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid or semisolid wastes, and other discarded solid and semisolid wastes.

(d) "Solid waste enterprise" means any individual, partnership, joint venture, unincorporated private organization, or private corporation regularly engaged in the business of providing solid waste handling services.

(e) "Solid waste handling services" means the collection, transportation, storage, transfer, or processing of solid wastes for residential, commercial, institutional, or industrial users or customers.

4271. The Legislature finds and declares as follows:

Although local agencies are empowered to furnish solid waste handling services, in extensive parts of the state solid waste enterprises are furnishing all or substantial portions of necessary solid waste handling services.

It is in the public interest to foster and encourage solid waste enterprises so that, at all times, there will continue to be competent enterprises willing and financially able to furnish needed solid waste handling services.

4272. Where a local agency has authorized, by franchise, contract, or permit, a solid waste enterprise to provide solid waste handling services and such services have been provided for more than three previous years, the solid waste enterprise may continue to provide such services up to five years after mailed notification to such enterprise by the local agency having jurisdiction that exclusive solid waste handling services are to be provided or authorized, except that if the solid waste enterprise has an exclusive franchise or contract then the solid waste enterprise shall continue to provide such services and shall be limited to the unexpired term of the contract or franchise or five years, whichever is less. A solid waste enterprise providing solid waste handling services shall be subject to the provisions of this section only if:

(a) The services of the enterprise are in substantial compliance with the terms and conditions of any such franchise, contract, or permit, and meet the quality and frequency of services required by

the local agency in other areas not served by the enterprise.

(b) The rates charged by the enterprise may be periodically reviewed and set by the local agency.

Nothing in this chapter shall be construed to affect the right of a city following annexation to terminate for cause a franchise, contract, or permit held by a solid waste enterprise authorized by the county.

4273. Any local agency or solid waste handling enterprise may contract, upon mutually satisfactory terms, for the termination of all or any part of the business of the enterprise prior to the expiration of the period specified in Section 4272.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act can be accomplished with no additional cost to local government.

CHAPTER 431

An act to add Section 2617.5 to the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 2617.5 is added to the Revenue and Taxation Code, to read:

2617.5. (a) Any uncollected delinquent penalty on property provided for in Section 2617, 2618, 2704, 2705, or 2922 may be canceled by the tax collector or the auditor, with the approval of the board of supervisors upon a finding that the assessee's failure to make a timely payment is due to reasonable cause and circumstances beyond the assessee's control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, provided the principal payment is made within 90 days after the first delinquency date or within 30 days after the second delinquency date.

(b) Any assessee seeking to be relieved of the penalty shall file with the board of supervisors a claim for refund conforming with the provisions of Article 1 (commencing with Section 5096) of Chapter 5 of Part 9. The claim for refund shall be accompanied by a statement under penalty of perjury setting forth the facts upon which the claim for relief is based. The statement shall be filed with the board of supervisors within 60 days after the penalty is paid, or within 60 days following the effective date of this act, whichever is later.

(c) Nothing herein shall affect the powers of a tax collector or

redemption officer pursuant to Section 2512, 2512.5 or 2513.

SEC. 2. It is the intent of the Legislature to provide procedural means for granting relief from property tax penalties when circumstances indicate such relief is appropriate. The Legislature finds that it is necessary to conform the collection of delinquent ad valorem property taxes with similar provisions of the Revenue and Taxation Code. Since any loss of revenue resulting from this act will be attributable to a refund of penalties rather than property taxes, and since this act does not classify or exempt property for purposes of ad valorem property taxation, no payments shall be made to local government as compensation for such losses pursuant to Section 2229 of the Revenue and Taxation Code.

CHAPTER 432

An act to amend Section 1373 of the Health and Safety Code, and to amend Sections 10176, 10177, and 11512.8 of the Insurance Code, relating to licensed clinical social workers.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 1373 of the Health and Safety Code as added by Chapter 941 of the Statutes of 1975 is amended to read:

1373. (a) A plan contract may not provide an exception for other coverage where such other coverage is entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code.

Each plan contract shall be interpreted not to provide an exception for such Medi-Cal benefits.

A plan contract may not provide that the benefits payable thereunder are subject to reduction if the individual insured has entitlement to such Medi-Cal benefits.

(b) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for sterilization operations or procedures shall not impose any disclaimer, restriction on, or limitation of, coverage relative to the covered individual's reason for sterilization.

As used in this section, "sterilization operations or procedures" shall have the same meaning as that specified in Section 10120 of the Insurance Code.

(c) Every plan contract which provides coverage to family members or dependents of the subscriber or enrollee shall grant immediate accident and sickness coverage, from and after the moment of birth, to each newborn infant, and to each minor adopted

child from and after the moment the child is placed in the custody of the adoptive parents for adoption, of any subscriber or enrollee covered. No such plan may be entered into or amended if it contains any disclaimer, waiver, or other limitation of coverage relative to the coverage or insurability of newborn infants of a subscriber or enrollee covered from and after the moment of birth or of minor adopted children from and after the moment the child is placed in the custody of the adoptive parents for adoption.

(d) Every plan contract which provides that coverage of a dependent child of a subscriber shall terminate upon attainment of the limiting age for dependent children specified in the plan, shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the subscriber for support and maintenance, provided proof of such incapacity and dependency is furnished to the plan by the member within 31 days of the request for such information by the plan or group plan contract holder and subsequently as may be required by the plan or group plan contract holder, but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

(e) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for both an employee and one or more covered persons dependent upon such employee and provides for an extension of such coverage for any period following a termination of employment of the employee shall also provide that such extension of coverage shall apply to dependents upon the same terms and conditions precedent as applied to the covered employee, for the same period of time, subject to payment of premiums, if any, as required by the terms of the policy and subject to any applicable collective-bargaining agreement.

(f) A group contract shall not discriminate against handicapped persons or against groups containing handicapped persons. Nothing in this subdivision shall preclude reasonable provisions in a plan contract against liability for services or reimbursement of the handicap condition or conditions relating thereto, as may be allowed by rules of the commissioner.

(g) Every group contract shall set forth the terms and conditions under which subscribers and enrollees may remain in the plan in the event the group ceases to exist, the group contract is terminated or an individual subscriber leaves the group, or the enrollees' eligibility status changes.

(h) A health care service plan may provide for coverage of, or for payment for, professional mental health services, or for the exclusion of such services. No plan shall prohibit the member from selecting, upon referral by a physician and surgeon licensed under Section 2135 of the Business and Professions Code, a licensed clinical social worker who is the holder of a license under Section 9040 of the Business and

Professions Code to perform the particular services covered under the terms of the plan, such license holder being expressly authorized by law to perform such services. Nothing in this section shall be construed to allow a member to select and obtain mental health services from a license holder who is not directly affiliated with or under contract to the health care service plan to which the member belongs.

SEC. 1.5. Section 1373 of the Health and Safety Code as added by Chapter 941 of the Statute of 1975 is amended to read:

1373. (a) A plan contract may not provide an exception for other coverage where such other coverage is entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14500) of Part 3 of Division 9 of the Welfare and Institutions Code.

Each plan contract shall be interpreted not to provide an exception for such Medi-Cal benefits.

A plan contract may not provide that the benefits payable thereunder are subject to reduction if the individual insured has entitlement to such Medi-Cal benefits.

(b) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for sterilization operations or procedures shall not impose any disclaimer, restriction on, or limitation of, coverage relative to the covered individual's reason for sterilization.

As used in this section, "sterilization operations or procedures" shall have the same meaning as that specified in Section 10120 of the Insurance Code.

(c) Every plan contract which provides coverage to family members or dependents of the subscriber or enrollee shall grant immediate accident and sickness coverage, from and after the moment of birth, to each newborn infant, and to each minor adopted child from and after the moment the child is placed in the custody of the adoptive parents for adoption, of any subscriber or enrollee covered. No such plan may be entered into or amended if it contains any disclaimer, waiver, or other limitation of coverage relative to the coverage or insurability of newborn infants of a subscriber or enrollee covered from and after the moment of birth or of minor adopted children from and after the moment the child is placed in the custody of the adoptive parents for adoption.

(d) Every plan contract which provides that coverage of a dependent child of a subscriber shall terminate upon attainment of the limiting age for dependent children specified in the plan, shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the subscriber for support and maintenance, provided proof of such incapacity and dependency is furnished to the plan by the member within 31 days of the request

for such information by the plan or group plan contract holder and subsequently as may be required by the plan or group plan contract holder, but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

(e) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for both an employee and one or more covered persons dependent upon such employee and provides for an extension of such coverage for any period following a termination of employment of the employee shall also provide that such extension of coverage shall apply to dependents upon the same terms and conditions precedent as applied to the covered employee, for the same period of time, subject to payment of premiums, if any, as required by the terms of the policy and subject to any applicable collective-bargaining agreement.

(f) A group contract shall not discriminate against handicapped persons or against groups containing handicapped persons. Nothing in this subdivision shall preclude reasonable provisions in a plan contract against liability for services or reimbursement of the handicap condition or conditions relating thereto, as may be allowed by rules of the commissioner.

(g) Every group contract shall set forth the terms and conditions under which subscribers and enrollees may remain in the plan in the event the group ceases to exist, the group contract is terminated or an individual subscriber leaves the group, or the enrollees' eligibility status changes.

(h) A health care service plan may provide for coverage of, or for payment for, professional mental health services, or for the exclusion of such services. No plan shall prohibit the member from selecting any psychologist who is the holder of a certificate issued under Section 2948 of the Business and Professions Code or, upon referral by a physician and surgeon licensed under Section 2135 of the Business and Professions Code, a licensed clinical social worker who is the holder of a license under Section 9040 of the Business and Professions Code to perform the particular services covered under the terms of the plan, such certificate holder being expressly authorized by law to perform such services. Nothing in this section shall be construed to allow a member to select and obtain mental health services from a certificate or license holder who is not directly affiliated with or under contract to the health care service plan to which the member belongs.

(i) If the plan utilizes arbitration to settle disputes, the plan contracts shall set forth the type of disputes subject to arbitration, the process to be utilized, and how it is to be initiated.

SEC. 2. Section 10176 of the Insurance Code is amended to read:

10176. In disability insurance the policy may provide for payment of medical, surgical, chiropractic, physical therapy, professional mental health, dental, hospital, or optometric expenses upon a reimbursement basis, or for the exclusion of any such services, and provision may be made therein for payment of all or a portion of the

amount of charge for such services without requiring that the insured first pay such expenses. No such policy shall prohibit the insured from selecting any psychologist or other person who is the holder of a certificate or license under Sections 1000, 1634, 2135, 2553, 2630, 2948, or 3055 of the Business and Professions Code to perform the particular services covered under the terms of the policy, such certificate holder or licensee being expressly authorized by law to perform such services.

Nor shall any such policy prohibit the insured, upon referral by a physician and surgeon licensed under Section 2135 of the Business and Professions Code, from selecting any licensed clinical social worker who is the holder of a license issued under Section 9040 of the Business and Professions Code to perform the particular services covered under the terms of the policy, such certificate holder or licensee being expressly authorized by law to perform such services.

SEC. 3. Section 10177 of the Insurance Code is amended to read:

10177. A self-insured employee welfare benefit plan may provide for payment of professional mental health expenses upon a reimbursement basis, or for the exclusion of such services, and provision may be made therein for payment of all or a portion of the amount of charge for such services without requiring that the employee first pay such expenses. No such plan shall prohibit the employee from selecting any psychologist who is the holder of a certificate issued under Section 2948 of the Business and Professions Code or, upon referral by a physician and surgeon licensed under Section 2135 of the Business and Professions Code, any licensed clinical social worker who is the holder of a license issued under Section 9040 of the Business and Professions Code to perform the particular services covered under the terms of the plan, such certificate or license holder being expressly authorized by law to perform such services.

SEC. 4. Section 11512.8 of the Insurance Code is amended to read:

11512.8. A hospital service contract may provide for payment of professional mental health expenses upon a reimbursement basis, or for the exclusion of such services, and provision may be made therein for payment of all or a portion of the amount of charge for such services without requiring that the employee first pay such expenses. No such contract shall prohibit the subscriber from selecting any psychologist who is the holder of a certificate issued under Section 2948 of the Business and Professions Code or, upon referral by a physician and surgeon licensed under Section 2135 of the Business and Professions Code, any licensed social worker who is the holder of a license issued under Section 9040 of the Business and Professions Code to perform the particular services covered under the terms of the contract, such certificate or license holder being expressly authorized by law to perform such services.

SEC. 5. The provisions of this act shall apply to every policy of disability insurance, health care service plan, self-insured employee

welfare benefit plan, and hospital service contract entered into, issued, delivered, or amended in this state on or after the effective date of this act.

SEC. 6. It is the intent of the Legislature, if this bill and Assembly Bill No. 3371 are both chaptered and become effective January 1, 1977, both bills amend Section 1373 of the Health and Safety Code, and this bill is chaptered after Assembly Bill No. 3371, that the amendments to Section 1373 proposed by both bills be given effect and incorporated in Section 1373 in the form set forth in Section 1.5 of this act. Therefore, Section 1.5 of this act shall become operative only if this bill and Assembly Bill No. 3371 are both chaptered and become effective January 1, 1977, both amend Section 1373, and this bill is chaptered after Assembly Bill No. 3371, in which case Section 1 of this act shall not become operative.

CHAPTER 433

An act to amend Section 895.12 of the Education Code, relating to special education.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 895.12 of the Education Code is amended to read:

895.12. Notwithstanding any other provisions of this code, any school district having an average daily attendance of 400,000 or more, or two or more districts under the jurisdiction of a county superintendent of schools of a county of the first class, determined pursuant to Section 28022 of the Government Code, with a combined average daily attendance of 40,000 or more, and having an average assessed valuation per unit of average daily attendance equal to or less than the countywide assessed valuation per unit of average daily attendance, which jointly or cooperatively maintain programs under a joint powers agreement, may contract with a county superintendent of schools or with another school district, pursuant to Section 1062, for the education of physically handicapped pupils, mentally retarded pupils, or educationally handicapped pupils of any contracting party. Any such contract shall require the district or districts whose pupils are receiving educational services thereunder to pay all costs of such educational services which are in excess of the amounts which may be received by the party providing the educational services, apportioned from the State School Fund for the average daily attendance of such pupils. Whenever a county superintendent of schools is a party to such a contract, no tax shall be levied to defray the costs of educational services under the

contract by any party other than the school district or districts whose pupils are receiving such educational services.

For purposes of this section, average daily attendance, and assessed valuation per unit of average daily attendance, shall be as shown by the annual report of the county superintendent of schools for the preceding year.

CHAPTER 434

An act to amend Sections 1203.4, 4852.01, 4852.03, 4852.06, 4852.07, 4852.1, 4852.12, and 4852.21 of the Penal Code, relating to certificates of rehabilitation.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 1203.4 of the Penal Code is amended to read:

1203.4. (a) In any case in which a defendant has fulfilled the conditions of probation for the entire period of probation, or has been discharged prior to the termination of the period of probation, or in any other case in which a court, in its discretion and the interests of justice, determines that a defendant should be granted the relief available under this section, the defendant shall, at any time after the termination of the period of probation, if he is not then serving a sentence for any offense, on probation for any offense, or charged with the commission of any offense, be permitted by the court to withdraw his plea of guilty or plea of nolo contendere and enter a plea of not guilty; or, if he has been convicted after a plea of not guilty, the court shall set aside the verdict of guilty; and, in either case, the court shall thereupon dismiss the accusations or information against the defendant and he shall thereafter be released from all penalties and disabilities resulting from the offense of which he has been convicted. The probationer shall be informed, in his probation papers, of this right and privilege and his right, if any, to petition for a certificate of rehabilitation and pardon. The probationer may make such application and change of plea in person or by attorney, or by the probation officer authorized in writing; provided, that, in any subsequent prosecution of the defendant for any other offense, the prior conviction may be pleaded and proved and shall have the same effect as if probation had not been granted or the accusation or information dismissed.

Dismissal of an accusation or information pursuant to this section does not permit a person to own, possess, or have in his custody or control any firearm capable of being concealed upon the person or prevent his conviction under Section 12021.

This subdivision shall apply to all applications for relief under this section which are filed on or after November 23, 1970.

(b) Subdivision (a) of this section does not apply to any misdemeanor which is within the provisions of subdivision (b) of Section 42001 of the Vehicle Code, or to any infraction.

SEC. 2. Section 4852.01 of the Penal Code is amended to read:

4852.01. (a) Any person convicted of a felony who has been released from a state prison or other state penal institution or agency in California, whether discharged on completion of the term for which he was sentenced or released on parole prior to May 13, 1943, who has not been incarcerated in a state prison or other state penal institution or agency since his release and who presents satisfactory evidence of a three-year residence in this state immediately prior to the filing of the petition for a certificate of rehabilitation and pardon provided for by this chapter, may file such petition pursuant to the provisions of this chapter.

(b) Any person convicted of a felony who, on May 13, 1943, was confined in a state prison or other institution or agency to which he was committed and any person convicted of a felony after that date who is committed to a state prison or other institution or agency may file a petition for a certificate of rehabilitation and pardon pursuant to the provisions of this chapter.

(c) Any person convicted of a felony the accusatory pleading of which has been dismissed pursuant to Section 1203.4 may file a petition for certificate of rehabilitation and pardon pursuant to the provisions of this chapter; provided the petitioner has not been incarcerated in any prison, jail, detention facility or other penal institution or agency since the dismissal of the accusatory pleading and is not on probation for the commission of any other felony, and petitioner presents satisfactory evidence of three years residence in this state prior to the filing of the petition.

(d) This chapter shall not apply to persons convicted of misdemeanors; to persons serving a mandatory life parole; to persons committed under death sentences; or to persons in the military service.

SEC. 3. Section 4852.03 of the Penal Code is amended to read:

4852.03. The period of rehabilitation shall begin to run upon the discharge of the petitioner from custody due to his completion of the term to which he was sentenced or upon his release on parole or probation, whichever is sooner. For purposes of this chapter, the period of rehabilitation shall constitute three years' residence in this state, plus a period of time determined by the following rules:

(1) To the three years there shall be added 30 days for each year of the term prescribed by statute as the maximum penalty of imprisonment for the crime of which the petitioner was convicted. When the maximum term includes the fractional part of a year, the period of rehabilitation shall be extended by a proportional part of the 30-day period.

(2) For the purposes of this chapter, crimes with maximum

penalties of life imprisonment shall be regarded as carrying a maximum penalty of imprisonment for 50 years.

(3) Where the petitioner is convicted of multiple crimes, the maximum penalty for the purpose of computing the period of rehabilitation shall be determined as follows: (a) if the sentences are made to run concurrently, the greatest maximum penalty prescribed by statute for any of such crimes shall constitute the maximum penalty; (b) if the sentences are made to run consecutively, the sum of the maximum penalties prescribed by statute for all such crimes shall constitute the maximum penalty, but in no case shall the maximum penalty exceed the period prescribed for life imprisonment under subparagraph (2) of this section. The trial court hearing the application for the certificate of rehabilitation may, if the defendant was ordered to serve consecutive sentences, order that his statutory period of rehabilitation be extended for an additional period of time which when combined with the time already served will not exceed the period prescribed by statute for the sum of the maximum penalties for all such crimes.

(4) Any person who was discharged after completion of his term or was released on parole before May 13, 1943, is not subject to the periods of rehabilitation set forth in these rules.

Unless and until the period of rehabilitation, as stipulated herein, has passed, the petitioner shall be ineligible to file his petition for a certificate of rehabilitation with the court. Any certificate of rehabilitation which is issued and under which the petitioner has not fulfilled the requirements of this chapter shall be void.

A change of residence within this state does not interrupt the period of rehabilitation prescribed by this section.

SEC. 4. Section 4852.06 of the Penal Code is amended to read:

4852.06. Except as provided in subdivision (a) of Section 4852.01, after the expiration of the minimum period of rehabilitation applicable to him (and, in the case of persons released upon parole or probation, after the termination of parole or probation), each person who has complied with the requirements of Section 4852.05 may file in the superior court of the county in which he then resides a petition for ascertainment and declaration of the fact of his rehabilitation and of matters incident thereto, and for a certificate of rehabilitation under this chapter. No such petition shall be filed until and unless the petitioner has continuously resided in this state, after leaving prison, for a period of not less than three years immediately preceding the date of filing the petition.

SEC. 5. Section 4852.07 of the Penal Code is amended to read:

4852.07. The petitioner shall give notice of the filing of the petition to the district attorney of the county in which the petition is filed, to the district attorney of each county in which the petitioner was convicted of a felony or of a crime the accusatory pleading of which was dismissed pursuant to Section 1203.4, and to the office of the Governor, together with notice of the time of the hearing of the petition, at least 30 days prior to the date set for such hearing.

SEC. 6. Section 4852.1 of the Penal Code is amended to read:

4852.1. The court in which the petition is filed may require such testimony as it deems necessary, and the production, for the use of the court and without expense of any kind to the petitioner, of all records and reports relating to the petitioner and the crime of which he was convicted, including the record of the trial, the report of the probation officer, if any, the records of the prison, jail, detention facility or other penal institution from which the petitioner has been released showing his conduct during the time he was there, the records of the penal institution or agency doctor and psychiatrist, the records of the parole officer concerning him if he was released on parole, the records of the Youth Authority concerning him if he has been committed to the authority, and written reports or records of any other law enforcement agency concerning the conduct of the petitioner since his release on probation or parole or discharge from custody. All persons having custody of any such records shall make them available for the use of the court in the proceeding.

SEC. 7. Section 4852.12 of the Penal Code is amended to read:

4852.12. (a) In any proceeding for the ascertainment and declaration of the fact of rehabilitation under this chapter, the court, upon the filing of the application for petition of rehabilitation, may request from the district attorney an investigation of the residence of the petitioner, the criminal record of the petitioner as shown by the records of the Department of Justice, any representation made to the court by the applicant, the conduct of the petitioner during his period of rehabilitation, including all matters mentioned in Section 4852.11, and any other information the court may deem necessary in making its determination. If so requested, the district attorney shall provide the court with a full and complete report of such investigations.

(b) In any proceeding for the ascertainment and declaration of the fact of rehabilitation under this chapter of a person convicted of a crime the accusatory pleading of which has been dismissed pursuant to Section 1203.4, the district attorney, upon request of the court, shall deliver to the court the criminal record of petitioner as shown by the records of the Department of Justice. The district attorney may investigate any representation made to the court by petitioner and may file with the court a report of the investigation including all matters known to the district attorney relating to the conduct and place and duration of residence of the petitioner during the period of rehabilitation and all known violations of law committed by petitioner.

SEC. 8. Section 4852.21 of the Penal Code is amended to read:

4852.21. (a) Any person to whom this chapter applies shall, prior to his discharge or release on parole from a state prison or other state penal institution or agency, be informed in writing by the official in charge of the place of confinement of his right to petition for, and of the procedure for filing the petition for, and obtaining, a certificate of rehabilitation and pardon pursuant to this chapter.

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(b) Prior to dismissal of the accusatory pleading pursuant to Section 1203.4, the defendant shall be informed in writing by the clerk of the court dismissing the accusatory pleading of the defendant's right, if any, to petition for, and of the procedure for filing a petition for, and obtaining, a certificate of rehabilitation and pardon pursuant to this chapter.

SEC. 9. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 435

An act to add and repeal Chapter 4.6 (commencing with Section 18285) to Part 6 of Division 9 of the Welfare and Institutions Code, relating to child abuse and neglect, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1976 Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Chapter 4.6 (commencing with Section 18285) is added to Part 6 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 4.6. CHILD ABUSE PILOT PROJECT CENTERS

18285. The Legislature finds that there is a need to develop programs to provide the kinds of innovative strategies and services to entire families which will ameliorate and reduce the trauma of child abuse and neglect.

The Legislature also finds that experimentation with new kinds of methods in this area is desirable, and that for purposes of such experimentation, pilot project centers should be established.

18286. The centers shall be designed primarily to (a) establish full-time community-based, family-oriented service centers for the prevention of child abuse and neglect; (b) increase, improve, and coordinate the delivery of comprehensive services to families in the area of the prevention of child abuse and neglect; (c) provide the types of innovative strategies in services which will ameliorate and reduce the problem of child abuse and neglect; and (d) provide treatment consolidation and referral for parents, children and the

community. Volunteers shall be trained and used to maximum capacity in the delivery of services.

Such services shall include, but are not limited to, the following treatment programs:

(a) For parents: rap groups, marital counseling, conjoint family therapy, individual treatment, group therapy, parenting classes, parent aides;

(b) For children: child enrichment programs, individual treatment, group treatment, children's aides;

(c) For educational institutions, public and private agencies, professional personnel: staff of the centers shall be available for consultation to expand treatment services in the area of child abuse;

(d) Referral services: staff of the centers shall work with families to identify needs and make appropriate referrals to existing community resources.

In addition, center staff shall work with such agencies as county welfare departments and law enforcement agencies in an advocacy capacity for families served by the centers.

18287. Inasmuch as the centers are to serve a variety of cultural backgrounds, to the extent feasible a portion of the program's personnel shall be fluent in Spanish as well as English.

18288. (a) The Director of Health shall establish standards for the expenditure of state funds which are provided for the establishment and support of the centers to assure the availability of specialized personnel, resources, and equipment necessary to enable the center to carry out the purposes of this chapter. The director shall choose the institution which shall receive state funds to establish and continue such centers from a list of eligible institutions. Upon establishment of such centers the director shall periodically appraise their performance and shall determine whether such centers shall receive continuation grants.

Copies of the reports containing such appraisals and determinations shall be submitted to the Legislature.

(c) Two centers shall be selected. One center shall be located in southern California and one center shall be located in northern California.

18289. The centers may seek, receive, and make use of any funds which may be made available from federal, voluntary, philanthropic, or other sources in order to augment any state funds appropriated for the purposes of this chapter and shall make every attempt to qualify the centers for federal funding under Public Law 93-247.

Each center shall prepare a report at the end of its second year of funding describing the operation and achievement of the center's objectives. The report shall be submitted to the director.

The Director of Health shall submit a report to the Legislature on or before January 1, 1978.

SEC. 2. This act shall become operative on July 1, 1976, and shall remain in effect only until July 1, 1978, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 1, 1978,

deletes or extends such date.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because appropriate funding is included in the Budget Act of 1976.

SEC. 4. There is hereby appropriated from the General Fund to the Director of Health the sum of two hundred thousand dollars ($200,000) for expenditure to carry out the purposes of Chapter 4.6 (commencing with Section 18285) of Part 6 of Division 9 of the Welfare and Institutions Code.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Funding of present programs for the relief of child abuse and neglect, which are conducted by volunteers and subsidized by hospitals, universities, and other private sources, will be exhausted on or about July 1, 1976, long before the effective date of ordinary statutes enacted by the Legislature in 1976. The preliminary results of such programs indicate that the programs can be effective; however, child abuse and neglect is increasing statewide. In order that the effectiveness of such programs with such potential can be fully and completely determined, at the earliest possible time and without disruption, it is necessary that this act take effect immediately.

CHAPTER 436

An act to amend Section 840 of the Penal Code, relating to arrest.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 840 of the Penal Code is amended to read:

840. An arrest for the commission of a felony may be made on any day and at any time of the day or night. An arrest for the commission of a misdemeanor or an infraction cannot be made between the hours of 10 o'clock p.m. of any day and 6 o'clock a.m. of the succeeding day, unless:

(1) The arrest is made without a warrant pursuant to Section 836 or 837.

(2) The arrest is made in a public place.

(3) The arrest is made when the person is in custody pursuant to another lawful arrest.

(4) The arrest is made pursuant to a warrant which, for good cause shown, directs that it may be served at any time of the day or night.

CHAPTER 437

An act to amend Sections 481.050, 482.080, 483.010, 484.050, 484.070, 484.090, 484.340, 484.350, 484.370, 484.520, 484.530, 485.010, 485.220, 485.530, 485.540, 486.020, 486.050, 486.060, 486.070, 486.090, 487.010, 487.020, 488.010, 488.030, 488.080, 488.310, 488.350, 488.360, 488.430, 488.500, 488.530, 488.560, 489.060, 489.210, 489.220, 489.230, 489.310, 489.320, 490.010, 491.010, 492.030, 492.090, 688, and 690.50 of, to add Sections 482.100, 482.110, 482.120, 488.555, and 489.130 to, to add Article 4 (commencing with Section 485.610) to Chapter 5 of Title 6.5 of Part 2 of, and to repeal Section 485.230 of, the Code of Civil Procedure, relating to attachment.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 481.050 of the Code of Civil Procedure is amended to read:

481.050. "Chose in action" means any right to payment which arises out of the conduct of any trade, business, or profession and which (a) is not conditioned upon further performance by the defendant or upon any event other than the passage of time, (b) is not an account receivable, (c) is not a deposit account, and (d) is not evidenced by a negotiable instrument, security, chattel paper, or judgment. The term includes an interest in or a claim under an insurance policy and a right to payment on a nonnegotiable instrument which is otherwise negotiable within Division 3 (commencing with Section 3101) of the Commercial Code but which is not payable to order or to bearer.

SEC. 2. Section 482.080 of the Code of Civil Procedure is amended to read:

482.080. (a) If a writ of attachment is issued, the court may also issue an order directing the defendant to transfer to the levying officer:

(1) Possession of the property to be attached where such property is sought to be attached by taking it into custody.

(2) Possession of any documentary evidence of title to any property of or any debt owed to the defendant which is sought to be attached. An order for the transfer of possession of documentary evidence of title issued pursuant to this paragraph may be enforced by the levying officer when the property or debt is levied upon or at any time thereafter.

(b) The order shall contain a notice to the defendant that failure to comply with the order may subject the defendant to being held in contempt of court.

SEC. 3. Section 482.100 is added to the Code of Civil Procedure, to read:

482.100. (a) The defendant may claim an exemption provided in Section 487.020 for property levied upon pursuant to a writ issued under this title if the right to the exemption is the result of a change in circumstances occurring after (1) the denial of a claim of exemption for the property earlier in the action or (2) the expiration of the time for claiming the exemption earlier in the action.

(b) A claim of exemption under this section shall follow the procedure provided in Section 690.50 except that, subject to subdivision (a), the defendant may claim the exemption at any time. References in Section 690.50 to "the debtor" shall be deemed references to the defendant, and references in Section 690.50 to "the creditor" shall be deemed references to the plaintiff.

(c) The exemption provided by subdivision (b) of Section 487.020 may be claimed at the defendant's option either pursuant to subdivision (b) of this section or by following the procedure provided in this subdivision. The claim shall be made by filing with the court and serving on the plaintiff a notice of motion. Service on the plaintiff shall be made not less than three days prior to the date set for the hearing. The hearing shall be held not more than five days after the filing of the notice of motion unless, for good cause shown, the court orders otherwise. The notice of motion shall state the relief requested and shall be accompanied by an affidavit supporting any factual issues raised and points and authorities supporting any legal issues raised. At the hearing on the motion, the defendant has the burden of showing that the property is exempt pursuant to subdivision (b) of Section 487.020. Upon such showing and the showing required by subdivision (a), the court shall order the release of such property.

SEC. 4. Section 482.110 is added to the Code of Civil Procedure, to read:

482.110. (a) The plaintiff's application for a right to attach order and a writ of attachment pursuant to this title may include an estimate of the costs and allowable attorney's fees.

(b) In the discretion of the court, the amount to be secured by the attachment may include an estimated amount for costs and allowable attorney's fees.

SEC. 5. Section 482.120 is added to the Code of Civil Procedure, to read:

482.120. If the court determines at the hearing on issuance of a writ of attachment under this title that the value of the defendant's interest in the property described in the plaintiff's application clearly exceeds the amount necessary to satisfy the amount to be secured by the attachment, the court may direct the order of levy on the property described in the writ or restrict the amount of the property to be levied upon.

SEC. 6. Section 483.010 of the Code of Civil Procedure is amended to read:

483.010. (a) Except as otherwise provided by statute, an attachment may be issued only in an action on a claim or claims for

money, each of which is based upon a contract, express or implied, where the total amount of such claim or claims is a fixed or readily ascertainable amount not less than five hundred dollars ($500) exclusive of costs, interest, and attorney's fees.

(b) An attachment may not be issued on a claim which is secured by any interest in real or personal property arising from agreement, statute, or other rule of law (including any mortgage or deed of trust of realty, any security interest subject to Division 9 (commencing with Section 9101) of the Commercial Code, and any statutory, common law, or equitable lien). However, an attachment may be issued (1) where the claim was originally so secured but, without any act of the plaintiff or the person to whom the security was given, such security has become valueless or has decreased in value to less than the amount then owing on the claim, in which event the amount for which such attachment may issue shall not exceed the lesser of the amount of such decrease or the difference between the value of the security and the amount then owing on the claim, or (2) where the claim was secured by a nonconsensual possessory lien but such lien has been relinquished by the surrender of the possession of the property.

(c) If the action is against an individual, an attachment may be issued only on a claim which arises out of the conduct by the individual of a trade, business, or profession. An attachment may not be issued on a claim against an individual which is based on the sale or lease of property, a license to use property, the furnishing of services, or the loan of money where the property sold or leased, or licensed for use, the services furnished, or the money loaned was used by the individual primarily for personal, family, or household purposes.

(d) An attachment may be issued pursuant to this section whether or not other forms of relief are demanded.

SEC. 7. Section 484.050 of the Code of Civil Procedure is amended to read:

484.050. The notice of application and hearing shall inform the defendant of all of the following:

(a) A hearing will be held at a place and at a time, to be specified in the notice, on plaintiff's application for a right to attach order and a writ of attachment.

(b) The order will be issued if the court finds that the plaintiff's claim is probably valid and the other requirements for issuing the order are established. The hearing is not for the purpose of determining whether the claim is actually valid. The determination of the actual validity of the claim will be made in subsequent proceedings in the action and will not be affected by the decisions at the hearing on the application for the order.

(c) If the right to attach order is issued, a writ of attachment will be issued to attach the property described in the plaintiff's application unless the court determines that such property is exempt from attachment or that its value clearly exceeds the amount

necessary to satisfy the amount to be secured by the attachment. However, additional writs of attachment may be issued to attach other nonexempt property of the defendant on the basis of the right to attach order.

(d) If the defendant desires to oppose the issuance of the order, he shall file with the court and serve on the plaintiff a notice of opposition and supporting affidavit as required by Section 484.060 not later than five days prior to the date set for hearing.

(e) If the defendant claims that the property described in the application, or a portion thereof, is exempt from attachment, he shall include such claim in the notice of opposition filed and served pursuant to Section 484.060 or file and serve a separate claim of exemption with respect to the property as provided in Section 484.070. If he does not do so, the claim of exemption will be barred in the absence of a showing of a change in circumstances occurring after the expiration of the time for claiming exemptions.

(f) The defendant may obtain a determination at the hearing whether property not described in the application is exempt from attachment, but the failure to claim that property not so described is exempt from attachment will not preclude him from making a claim of exemption with respect to such property at a later time.

(g) Either the defendant or his attorney or both of them may be present at the hearing.

(h) The notice shall contain the following statement: "You may seek the advice of an attorney as to any matter connected with the plaintiff's application. Such attorney should be consulted promptly so that he may assist you before the time set for hearing."

SEC. 8. Section 484.070 of the Code of Civil Procedure is amended to read:

484.070. (a) If the defendant claims that the property described in the plaintiff's application, or a portion of such property, is exempt from attachment, the defendant shall claim such exemption as provided in this section. If the defendant fails to make such claim or makes such claim but fails to prove that the property is exempt, he may not later claim such exemption except as provided in Section 482.100.

(b) If the defendant desires to claim at the hearing that property not described in the plaintiff's application is exempt from attachment, in whole or in part, the defendant shall claim such exemption as provided in this section. Failure to make such claim does not preclude the defendant from later claiming the exemption. If the claim is made as provided in this section but the defendant fails to prove that the property is exempt from attachment, he may not later claim that the property, or a portion thereof, is exempt except as provided in Section 482.100.

(c) The claim of exemption shall:

(1) Describe the property claimed to be exempt.

(2) Specify the statute section supporting the claim.

(d) The claim of exemption shall be accompanied by an affidavit

supporting any factual issues raised by the claim and points and authorities supporting any legal issues raised.

(e) The claim of exemption, together with any supporting affidavit and points and authorities, shall be filed and served on the plaintiff not less than five days before the date set for the hearing.

(f) If the plaintiff desires to oppose the claim of exemption, he shall file and serve on the defendant, not less than two days before the date set for the hearing, a notice of opposition to the claim of exemption, accompanied by an affidavit supporting any factual issues raised and points and authorities supporting any legal issues raised. If the plaintiff does not file and serve a notice of opposition as provided in this subdivision, no writ of attachment shall be issued as to the property claimed to be exempt. If all of the property described in the plaintiff's application is claimed to be exempt and the plaintiff does not file and serve a notice of opposition as provided in this subdivision, no hearing shall be held and no right to attach order or writ of attachment shall be issued and any temporary protective order issued pursuant to Chapter 6 (commencing with Section 486.010) immediately expires.

(g) If the plaintiff files and serves a notice of opposition to the claim as provided in this section, the defendant has the burden of proving that the property is exempt from attachment.

SEC. 9. Section 484.090 of the Code of Civil Procedure is amended to read:

484.090. (a) At the hearing, the court shall consider the showing made by the parties appearing and shall issue a right to attach order, which shall state the amount to be secured by the attachment, if it finds all of the following:

(1) The claim upon which the attachment is based is one upon which an attachment may be issued.

(2) The plaintiff has established the probable validity of the claim upon which the attachment is based.

(3) The attachment is not sought for a purpose other than the recovery on the claim upon which the attachment is based.

(b) If, in addition to the findings required by subdivision (a), the court finds that the defendant has failed to prove that all the property sought to be attached is exempt from attachment, it shall order a writ of attachment to be issued upon the filing of an undertaking as provided by Sections 489.210 and 489.220.

(c) If the court determines that property of the defendant is exempt from attachment, in whole or in part, the right to attach order shall describe such property and prohibit attachment of such property.

(d) The court's determinations shall be made upon the basis of the pleadings and other papers in the record; but, upon good cause shown, the court may receive and consider at the hearing additional evidence, oral or documentary, and additional points and authorities, or it may continue the hearing for the production of such additional evidence or points and authorities.

SEC. 10. Section 484.340 of the Code of Civil Procedure is amended to read:

484.340. The notice of application and hearing shall inform the defendant of all of the following:

(a) The plaintiff has applied for a writ of attachment to attach the property described in the application.

(b) A hearing will be held at a place and at a time, to be specified in the notice, to determine whether the plaintiff is entitled to the writ.

(c) A writ of attachment will be issued to attach the property described in the plaintiff's application unless the court determines that such property is exempt from attachment or that its value clearly exceeds the amount necessary to satisfy the amount to be secured by the attachment.

(d) If the defendant claims that the property described in the application, or a portion thereof, is exempt from attachment, he shall file with the court and serve on the plaintiff a claim of exemption with respect to the property as provided in Section 484.350 not later than five days prior to the date set for hearing. If he does not do so, the claim of exemption will be barred in the absence of a showing of a change in circumstances occurring after the expiration of the time for claiming exemptions.

(e) Either the defendant or his attorney or both of them may be present at the hearing.

(f) The notice shall contain the following statement: "You may seek the advice of an attorney as to any matter connected with the plaintiff's application. Such attorney should be consulted promptly so that he may assist you before the time set for hearing."

SEC. 11. Section 484.350 of the Code of Civil Procedure is amended to read:

484.350. (a) If the defendant claims that the property described in the plaintiff's application, or a portion of such property, is exempt from attachment, the defendant shall claim such exemption as provided in this section. If the defendant fails to make such claim or makes such claim but fails to prove that the property is exempt, he may not later claim such exemption except as provided in Section 482.100.

(b) The claim of exemption shall:

(1) Describe the property claimed to be exempt.

(2) Specify the statute section supporting the claim.

(c) The claim of exemption shall be accompanied by an affidavit supporting any factual issues raised by the claim and points and authorities supporting any legal issues raised.

(d) The claim of exemption, together with any supporting affidavit and points and authorities, shall be filed and served on the plaintiff not less than five days before the date set for the hearing.

SEC. 12. Section 484.370 of the Code of Civil Procedure is amended to read:

484.370. The hearing shall be conducted in the manner

prescribed in Section 484.090 and the court shall order a writ of attachment to be issued upon the filing of an undertaking as provided by Sections 489.210 and 489.220, if it finds both of the following:

(a) A right to attach order has been issued in the action pursuant to Article 1 (commencing with Section 484.010) or the court has found pursuant to Section 485.240 that the plaintiff is entitled to a right to attach order.

(b) The defendant has failed to prove that the property sought to be attached, or the portion thereof to be described in the writ, is exempt from attachment.

SEC. 13. Section 484.520 of the Code of Civil Procedure is amended to read:

484.520. The court shall examine the application and supporting affidavit and shall order a writ of attachment to be issued upon the filing of an undertaking as provided by Sections 489.210 and 489.220, if it finds both of the following:

(a) A right to attach order has been issued in the action pursuant to Article 1 (commencing with Section 484.010) or the court has found pursuant to Section 485.240 that the plaintiff is entitled to a right to attach order.

(b) The affidavit accompanying the application shows that the property sought to be attached, or the portion thereof to be described in the writ, is not exempt from attachment.

SEC. 14. Section 484.530 of the Code of Civil Procedure is amended to read:

484.530. (a) The defendant may claim an exemption as to property levied upon pursuant to a writ issued under this article by following the procedure set forth in Section 690.50 except that the defendant shall claim the exemption not later than 30 days after the levying officer serves the defendant with the notice of attachment describing such property. For this purpose, references in Section 690.50 to "the debtor" shall be deemed references to the defendant, and references in Section 690.50 to "the creditor" shall be deemed references to the plaintiff.

(b) The defendant may claim the exemption provided by subdivision (b) of Section 487.020 within the time provided by subdivision (a) of this section either (1) by following the procedure set forth in Section 690.50 or (2) by following the procedure set forth in subdivision (c) of Section 482.100 except that the requirement of showing changed circumstances under subdivision (a) of Section 482.100 does not apply.

(c) Notwithstanding subdivisions (a) and (b), a claim of exemption shall be denied if such claim has been denied earlier in the action and there is no change in circumstances affecting such claim.

SEC. 14.5. Section 485.010 of the Code of Civil Procedure is amended to read:

485.010. (a) Except as otherwise provided by statute, no right to

attach order or writ of attachment may be issued pursuant to this chapter unless it appears from facts shown by affidavit that great or irreparable injury would result to the plaintiff if issuance of the order were delayed until the matter could be heard on notice.

(b) The requirement of subdivision (a) is satisfied if any of the following are shown:

(1) Under the circumstances of the case, it may be inferred that there is a danger that the property sought to be attached would be concealed, substantially impaired in value, or otherwise made unavailable to levy if issuance of the order were delayed until the matter could be heard on notice.

(2) A bulk sales notice has been recorded and published pursuant to Division 6 (commencing with Section 6101) of the Commercial Code with respect to a bulk transfer by the defendant.

(3) An escrow has been opened pursuant to the provisions of Section 24074 of the Business and Professions Code with respect to the sale by the defendant of a liquor license.

(4) Any other circumstance showing that great or irreparable injury would result to the plaintiff if issuance of the order were delayed until the matter could be heard on notice.

(c) A writ issued solely on a showing under paragraph (2) of subdivision (b) shall be limited to the property covered by the bulk sales notice or the proceeds of the sale of such property. In addition to any other service required by this title, such writ shall be served by the levying officer on the transferee or auctioneer identified by the bulk sales notice not more than five days after the levy of such writ. A writ issued solely on a showing under paragraph (3) of subdivision (b) shall be limited to the plaintiff's pro rata share of the proceeds of the sale in escrow.

SEC. 15. Section 485.220 of the Code of Civil Procedure is amended to read:

485.220. (a) The court shall examine the application and supporting affidavit and, except as provided in Section 486.030, shall issue a right to attach order, which shall state the amount to be secured by the attachment, and order a writ of attachment to be issued upon the filing of an undertaking as provided by Sections 489.210 and 489.220, if it finds all of the following:

(1) The claim upon which the attachment is based is one upon which an attachment may be issued.

(2) The plaintiff has established the probable validity of the claim upon which the attachment is based.

(3) The attachment is not sought for a purpose other than the recovery upon the claim upon which the attachment is based.

(4) The affidavit accompanying the application shows that the property sought to be attached, or the portion thereof to be specified in the writ, is not exempt from attachment.

(5) The plaintiff will suffer great or irreparable injury (within the meaning of Section 485.010) if issuance of the order is delayed until the matter can be heard on notice,

(b) If the court finds that the application and supporting affidavit do not satisfy the requirements of Section 485.010, it shall so state and deny the order If denial is solely on the ground that Section 485.010 is not satisfied, the court shall so state and such denial does not preclude the plaintiff from applying for a right to attach order and writ of attachment under Chapter 4 (commencing with Section 484.010) with the same affidavits and supporting papers.

SEC. 16. Section 485.230 of the Code of Civil Procedure is repealed.

SEC. 17. Section 485.530 of the Code of Civil Procedure is amended to read:

485.530. (a) The application shall be supported by an affidavit showing both of the following:

(1) The plaintiff would suffer great or irreparable injury (within the meaning of Section 485.010) if the issuance of the writ of attachment were delayed until the matter could be heard on notice.

(2) The property sought to be attached is not exempt from attachment.

(b) The affidavit in support of the showing required by paragraph (2) of subdivision (a) may be based on the affiant's information and belief.

SEC. 18. Section 485.540 of the Code of Civil Procedure is amended to read:

485.540. The court shall examine the application and supporting affidavit and shall order a writ of attachment to be issued upon the filing of an undertaking as provided by Sections 489.210 and 489.220, if it finds all of the following:

(a) A right to attach order has been issued in the action pursuant to Article 2 (commencing with Section 485.210).

(b) The affidavit accompanying the application shows that the property sought to be attached, or the portion thereof to be specified in the writ, is not exempt from attachment.

(c) The plaintiff will suffer great or irreparable injury (within the meaning of Section 485.010) if issuance of the writ of attachment is delayed until the matter can be heard on notice.

SEC. 19. Article 4 (commencing with Section 485.610) is added to Chapter 5 of Title 6.5 of Part 2 of the Code of Civil Procedure, to read:

Article 4. Claim of Exemption

485.610. (a) The defendant may claim an exemption as to property levied upon pursuant to a writ of attachment issued under this chapter by following the procedure set forth in Section 690.50 except that the defendant shall claim the exemption not later than 30 days after the levying officer serves the defendant with the notice of attachment describing such property. For this purpose, references in Section 690.50 to the "debtor" shall be deemed references to the defendant, and references in Section 690.50 to the "creditor" shall be

deemed references to the plaintiff.

(b) The defendant may claim the exemption provided by subdivision (b) of Section 487.020 within the time provided by subdivision (a) of this section either (1) by following the procedure set forth in Section 690.50 or (2) by following the procedure set forth in subdivision (c) of Section 482.100 except that the requirement of showing changed circumstances under subdivision (a) of Section 482.100 does not apply.

SEC. 19.5. Section 486.020 of the Code of Civil Procedure is amended to read:

486.020. The court shall examine the application, supporting affidavit, and other papers on record and shall issue a temporary protective order upon the filing of an undertaking as provided by Sections 489.210 and 489.220, if it finds all of the following:

(a) The claim upon which the application for attachment is based is one upon which an attachment may be issued.

(b) The plaintiff has established the probable validity of the claim upon which the application for the attachment is based.

(c) The order is not sought for a purpose other than the recovery upon the claim upon which the application for the attachment is based.

(d) The plaintiff will suffer great or irreparable injury (within the meaning of Section 485.010) if the temporary protective order is not issued.

SEC. 20. Section 486.050 of the Code of Civil Procedure is amended to read:

486.050. (a) Except as otherwise provided in Section 486.040, the temporary protective order may prohibit any transfer by the defendant of any of the defendant's property in this state subject to the levy of the writ of attachment. The temporary protective order shall describe the property in a manner adequate to permit the defendant to identify the property subject to the temporary protective order.

(b) Notwithstanding subdivison (a), if the property is farm products held for sale or is inventory, the temporary protective order may not prohibit the defendant from transferring the property in the ordinary course of business, but the temporary protective order may impose appropriate restrictions on the disposition of the proceeds from such transfer.

SEC. 21. Section 486.060 of the Code of Civil Procedure is amended to read:

486.060. (a) Notwithstanding any terms of the temporary protective order, the defendant may issue any number of checks against any of his bank accounts in this state to the extent permitted by this section.

(b) The defendant may issue any number of checks in any amount for the following purposes:

(1) Payment of any payroll expense (including fringe benefits and taxes and premiums for workers' compensation and unemployment

insurance) falling due in the ordinary course of business prior to the levy of a writ of attachment.

(2) Payment for goods thereafter delivered to the defendant C.O.D. for use in his trade, business, or profession.

(3) Payment of taxes if payment is necessary to avoid penalties which will accrue if there is any further delay in payment.

(4) Payment of reasonable legal fees and reasonable costs and expenses required for the representation of the defendant in the action.

(c) In addition to the checks permitted to be issued by subdivision (b), the defendant may issue any number of checks for any purpose so long as the total amount of such checks does not exceed the greater of the following:

(1) The amount by which the total amount on deposit exceeds the sum of the amount of the plaintiff's claim and the amounts permitted to be paid pursuant to subdivison (b).

(2) One thousand dollars ($1,000).

SEC. 22. Section 486.070 of the Code of Civil Procedure is amended to read:

486.070. Except as otherwise provided by Section 486.110, a temporary protective order issued under this chapter binds only the defendant, whether or not any other person knows of or is served with a copy of the temporary protective order.

SEC. 23. Section 486.090 of the Code of Civil Procedure is amended to read:

486.090. Except as otherwise provided in this title, the temporary protective order shall expire at the earliest of the following times:

(a) Forty days after the issuance of the order or, if an earlier date is prescribed by the court in the order, on such earlier date.

(b) As to specific property described in the order, when a levy of attachment upon that property is made by the plaintiff.

SEC. 24. Section 487.010 of the Code of Civil Procedure is amended to read:

487.010. The following property of the defendant is subject to attachment:

(a) Where the defendant is a corporation, all corporate property for which a method of levy is provided by Article 2 (commencing with Section 488.310) of Chapter 8.

(b) Where the defendant is a partnership or other unincorporated association, all partnership or association property for which a method of levy is provided by Article 2 (commencing with Section 488.310) of Chapter 8.

(c) Where the defendant is an individual all of the following property:

(1) Interests in real property except leasehold estates with unexpired terms of less than one year.

(2) Accounts receivable, chattel paper, and choses in action except any such individual claim with a principal balance of less than one hundred fifty dollars ($150).

(3) Equipment.
(4) Farm products.
(5) Inventory.
(6) Judgments arising out of the conduct by the defendant of a trade, business, or profession.
(7) Money on the premises where a trade, business, or profession is conducted by the defendant and, except for the first one thousand dollars ($1,000), money located elsewhere than on such premises and deposit accounts, but, if the defendant has more than one deposit account or has at least one deposit account and money located elsewhere than on the premises where a trade, business, or profession is conducted by the defendant, the court, upon application of the plaintiff, may order that the writ of attachment be levied so that an aggregate amount of one thousand dollars ($1,000) in the form of such money and in such accounts remains free of levy.
(8) Negotiable documents.
(9) Negotiable instruments.
(10) Securities.

SEC. 25. Section 487.020 of the Code of Civil Procedure is amended to read:

487.020. The following property is exempt from attachment:
(a) All property exempt from execution.
(b) Property which is necessary for the support of an individual defendant or the defendant's family supported in whole or in part by the defendant.
(c) All compensation paid or payable to a defendant employee by an employer for personal services performed by such employee whether denominated as wages, salary, commission, bonus, or otherwise.
(d) All property not subject to attachment pursuant to Section 487.010.

SEC. 26. Section 488.010 of the Code of Civil Procedure is amended to read:

488.010. (a) The writ of attachment shall identify the defendant whose property is to be attached, state the amount to be secured by the attachment, and describe the property to be levied upon to satisfy such amount. If the writ of attachment does not describe the property or interest therein in a manner adequate to permit the levying officer to execute the writ, the plaintiff shall give to the levying officer instructions in writing, signed by the plaintiff or his attorney of record, which contain a description of such property adequate to permit the levying officer to execute the writ and the name and address of any person who is to be served with a copy of the writ and notice of attachment.
(b) Where the defendant's interest in real property is sought to be attached, the writ of attachment shall identify any person, other than the defendant, in whose name the real property or interest therein stands upon the records of the county and shall describe the real property in which the defendant has an interest.

(c) Where the defendant's growing crops or timber to be cut are sought to be attached, the writ of attachment shall identify any person, other than the defendant, in whose name the real property on which the crops are growing or on which the timber is standing stands upon the records of the county.

SEC. 27. Section 488.030 of the Code of Civil Procedure is amended to read:

488.030. (a) A writ of attachment shall be directed to a levying officer in the county in which property of the defendant described in the writ may be located.

(b) Upon the receipt of written instructions from the plaintiff, or his attorney of record, the levying officer to whom the writ is directed and delivered shall levy the writ without delay in the manner provided in this chapter on the property described in the writ or so much thereof as is clearly sufficient to satisfy the amount to be secured by the attachment. The levying officer is not liable for a determination made in good faith under this subdivision.

(c) Where a copy of the summons and complaint has not previously been served on the defendant, the plaintiff or his attorney of record shall instruct the levying officer to make such service at the same time he serves the defendant with a copy of the writ of attachment.

SEC. 28. Section 488.080 of the Code of Civil Procedure is amended to read:

488.080. (a) The levying officer shall make a full inventory of property attached and return such inventory with the writ as provided in Section 488.070.

(b) The levying officer, at the time of service, shall request any person other than the defendant to give the levying officer a memorandum, describing any property of the defendant in the person's possession or any debt owed to the defendant which is levied upon and stating its value or the amount owing. Upon the request of the levying officer, the person shall give such memorandum within 10 days after such service. If the person denies that he possesses such property or owes such debt, he shall so state in the memorandum. If the person fails to give the memorandum within the time specified, the levying officer shall state such fact at the time the writ is returned pursuant to Section 488.070. A person failing to give the memorandum within the time specified may be required to pay the costs of any proceedings taken for the purpose of obtaining the information required by this section.

SEC. 29. Section 488.310 of the Code of Civil Procedure is amended to read:

488.310. (a) To attach an interest in real property, the levying officer shall record with the office of the county recorder of the county where the real property is located a copy of the writ and the notice of attachment.

(b) Where the writ identifies a person, other than the defendant, in whose name the real property in which the defendant has an

interest stands upon the records of the county, the recorder shall index such attachment when recorded in the names of both the defendant and such other person.

(c) Promptly after recording and in no event more than 15 days after the date of recording, the levying officer shall mail a copy of the writ and the notice of attachment to the defendant and to any other person identified in the writ in whose name the real property in which the defendant has an interest stands upon the records of the county at the address of such other person as shown by the records of the office of the tax assessor of the county where the real property is located.

(d) Promptly after recording and in no event more than 15 days after the date of recording, the levying officer shall serve one occupant of the property with a copy of the writ and the notice of attachment or, if there is no occupant on the property at the time service is attempted, the levying officer shall post a copy of the writ and notice in a conspicuous place on the property attached. Service upon the occupant may be made by leaving the copy of the writ and notice with the occupant personally, or, in his absence, with any person, of suitable age and discretion, found upon the property at the time service is attempted and who is either an employee or agent of such occupant or a member of his family or household. Where the property described in the writ consists of more than one distinct lot, parcel, or governmental subdivision and any of such lots, parcels, or governmental subdivisions lie with relation to any of the others so as to form one or more continuous, unbroken tracts, only one service or posting need be made under this subdivision as to each such continuous, unbroken tract.

(e) A failure to send the notices required by subdivision (c) or to post or serve notice pursuant to subdivision (d) shall not affect the lien created pursuant to subdivision (a).

SEC. 30. Section 488.350 of the Code of Civil Procedure is amended to read:

488.350. (a) To attach a motor vehicle or vessel for which a certificate of ownership has been issued by the Department of Motor Vehicles and which is equipment of a going business, the levying officer shall file with the Department of Motor Vehicles a notice in the form prescribed by the Department of Motor Vehicles which shall contain all of the following:

(1) The name and mailing address, if known, of both the plaintiff and the defendant in the described action.

(2) A description of the vehicle or vessel attached.

(3) A statement that the plaintiff in the action has acquired an attachment lien in such vehicle or vessel.

(b) Promptly after filing and in no event more than 45 days after the date of filing pursuant to this section, the levying officer shall serve the defendant with a copy of the writ and the notice of attachment.

(c) Promptly after filing and in no event more than 30 days after

the date of filing pursuant to this section, the levying officer shall determine from the department the name and address of the legal owner, if any, of the vehicle or vessel as shown by the records of the department on the date of filing and shall serve such legal owner with a copy of the writ and the notice of attachment by registered or certified mail, return receipt requested.

(d) The lien of attachment acquired pursuant to levy under this section does not affect the rights of a person who is a bona fide purchaser of the vehicle or vessel and obtains possession of both the vehicle or vessel and its certificate of ownership.

(e) A failure to serve the defendant pursuant to subdivision (b) or the legal owner pursuant to subdivision (c) shall not affect the lien created pursuant to subdivision (a).

(f) The fee for filing and indexing each notice of attachment, notice of extension, or notice of release with the Department of Motor Vehicles is three dollars ($3). Upon the request of any person, the Department of Motor Vehicles shall issue its certificate showing whether there is on file, on the date and hour stated therein, any notice of attachment, naming a particular person, and if a notice is on file, giving the date and hour of filing of each notice and the name of the plaintiff. The fee for the certificate issued by the department is two dollars ($2). Upon request, the department shall furnish a copy of any notice of attachment or notice affecting a notice of attachment for a fee of one dollar ($1) per page.

SEC. 31. Section 488.360 of the Code of Civil Procedure is amended to read:

488.360. (a) To attach farm products or inventory of a going business, if the defendant consents, the levying officer shall place a keeper in charge of such property for a period not to exceed 10 days. During such period, the defendant may continue to operate his farm or business at his own expense provided all sales are final and are for cash or the equivalent of cash. For the purposes of this subdivision, payment by check shall be deemed the equivalent of a cash payment. The levying officer shall incur no liability for accepting payment in the form of a cash equivalent. The proceeds from all sales shall be given to the keeper for the purposes of the levy unless otherwise authorized by the plaintiff. If the defendant does not consent or, in any event, after the end of such 10-day period, the levying officer shall take such property into his exclusive custody unless other disposition is made by the parties to the action. At the time of levy or promptly thereafter, the levying officer shall serve the defendant with a copy of the writ and the notice of attachment.

(b) Where property is levied upon pursuant to subdivision (a), the defendant may apply for an order pursuant to this subdivision for the release of property exempt pursuant to subdivision (b) of Section 487.020. Such application shall be made by filing with the court and serving on the plaintiff a notice of motion. Service on the plaintiff shall be made not less than three days prior to the date set for hearing. The hearing shall be held not more than five days after the

filing of the notice of motion unless, for good cause shown, the court orders otherwise. The notice of motion shall state the relief requested and shall be accompanied by an affidavit supporting any factual issues raised and points and authorities supporting any legal issues raised. At the hearing on the motion, the defendant has the burden of showing that the property, or a portion thereof or the proceeds therefrom, attached pursuant to subdivision (a), is exempt pursuant to subdivision (b) of Section 487.020. Upon such showing, the court shall order the removal of the keeper and return the defendant to possession of such exempt property and may make such further order as the court deems appropriate to protect the plaintiff against frustration of the collection of his claim. Such order may permit the plaintiff to levy on farm products or inventory of a going business and on proceeds or after-acquired property, or both, by filing pursuant to subdivision (c) and may provide reasonable restrictions on the disposition of the property previously levied upon.

(c) Notwithstanding the provisions of subdivision (a), upon the election and the instructions of the plaintiff, the levying officer shall attach farm products or inventory of a going business by filing a notice in the form prescribed by the Secretary of State which indicates that the plaintiff has acquired an attachment lien on the farm products or inventory of the defendant and, where permitted by the writ of attachment or court order, on identifiable cash proceeds (as that term is used in Section 9306 of the Commercial Code) or after-acquired property, or both. The notice shall state the name and mailing address, if known, of both the plaintiff and the defendant and shall describe the property attached and state whether identifiable cash proceeds or after-acquired property, or both, are attached. When the property is growing crops or timber to be cut, the notice shall be recorded in the office of the county recorder in the county where the real property on which the crops are growing or on which the timber is standing is located. Where, on the date of recording, the real property on which the crops are growing or on which the timber is standing stands upon the records of the county in the name of a person other than the defendant, the recorder shall index such attachment when recorded in the names of both the defendant and such other person identified in the writ. In all other cases, the notice shall be filed in the office of the Secretary of State. The fee for filing and indexing each notice of attachment, notice of extension, or notice of release in the office of the Secretary of State is three dollars ($3). Upon the request of any person, the Secretary of State shall issue a certificate showing whether there is on file, on the date and hour stated therein, any notice of attachment, naming a particular person, and if a notice is on file, giving the date and hour of filing of each notice and the name of the plaintiff. The fee for the certificate issued by the Secretary of State is two dollars ($2). A combined certificate may be issued pursuant to Section 7203 of the Government Code. Upon request, the Secretary of State shall furnish a copy of any notice of attachment or

notice affecting a notice of attachment for a fee of one dollar ($1) per page. A lien acquired by filing or recording a notice pursuant to this subdivision provides the plaintiff with the same rights and priorities in the attached property as would be obtained by a secured party who perfects a security interest (other than a purchase money security interest) in such property by filing a financing statement at such time and place. Promptly after filing or recording and in no event more than 15 days after the date of filing or recording pursuant to this subdivision, the levying officer shall send by registered or certified mail, return receipt requested, a copy of the writ and the notice of attachment to the defendant and, in the case of crops growing or timber standing on real property, to any other person identified in the writ in whose name the real property stands upon the records of the county at the address of such other person as shown by the records of the office of the tax assessor of the county where the property is located.

(d) A failure to serve the defendant or any other person pursuant to subdivision (a) or (c) shall not affect the lien created pursuant to either subdivision.

SEC. 32. Section 488.430 of the Code of Civil Procedure is amended to read:

488.430. (a) To attach the interest of a defendant in personal property belonging to the estate of a decedent, whether by testate or intestate succession, the levying officer shall (1) file a copy of the writ and the notice of attachment in the office of the clerk of the court in which the estate is being administered and (2) serve the personal representative of the decedent with a copy of the writ and the notice.

(b) Promptly after levy and in no event more than 45 days after levy, the levying officer shall serve the defendant with a copy of the writ and the notice of attachment. A failure to serve the defendant pursuant to this subdivision shall not affect the lien created pursuant to subdivision (a).

(c) The personal representative shall report such attachment to the court in which the estate is being administered when any petition for distribution is filed.

(d) Such attachment shall not impair the powers of the representative over the property for the purposes of administration.

(e) If a decree orders distribution to the defendant, the property shall be ordered to be delivered to the officer making the levy subject to the claim of the defendant or any person claiming under him. The property shall not be delivered to the officer making the levy until the decree distributing the interest has become final.

SEC. 33. Section 488.500 of the Code of Civil Procedure is amended to read:

488.500. (a) Except as provided in subdivision (c) of Section 488.360, levy of a writ of attachment creates a lien on the property levied upon which is valid against all subsequent transferees of the property.

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(b) The lien of attachment on real property levied upon pursuant to Section 488.310 becomes effective on the date of recording pursuant to that section.

(c) The lien of attachment on property levied upon pursuant to Section 488.320 (tangible personalty in possession of defendant), 488.360(a) (inventory and farm products, alternate method), 488.380(a)(2) (chattel paper in possession of defendant), 488.400(a)(2) (negotiable instruments, documents, or money in possession of defendant), or 488.410(a) (securities in possession of defendant) becomes effective on the date the levying officer takes custody of the property pursuant to such provision.

(d) The lien of attachment on property levied upon pursuant to Section 488.340 (equipment, other than motor vehicles, of a going business), 488.350 (motor vehicles and vessels which are equipment of a going business), or 488.360(c) (farm products and inventory, alternate method) becomes effective on the date of filing pursuant to such provision.

(e) The lien of attachment on property levied upon pursuant to Section 488.330 (tangible personalty in possession of third person), 488.380(a)(1) (chattel paper in possession of third person), 488.390 (deposit accounts), 488.400(a)(1) (negotiable instruments, documents, or money in possession of third person), or 488.410(b) (securities in possession of certain third persons) becomes effective on the date of service on the person in possession of such property.

(f) The lien of attachment on property levied upon pursuant to Section 488.370 (accounts receivable, choses in action) becomes effective on the date of service on the account debtor or insurer.

(g) The lien of attachment on a judgment levied upon pursuant to Section 488.420 becomes effective on the date of service on the judgment debtor.

(h) The lien of attachment on property levied upon pursuant to Section 488.430 becomes effective on the date of filing pursuant to that section.

(i) Notwithstanding subdivisions (b) through (h), inclusive, and except as otherwise provided by Section 486.110, where a temporary protective order has been issued pursuant to Chapter 6 (commencing with Section 486.010), the lien of attachment on property described in such order and subsequently attached is effective from the date of service of such order.

SEC. 34. Section 488.530 of the Code of Civil Procedure is amended to read:

488.530. (a) Whenever property is or may be attached, the plaintiff, the defendant, or any third person whose interest has been determined pursuant to Section 689, may apply by noticed motion for the order provided in this subdivision. Upon a showing that the property is perishable or will greatly deteriorate or greatly depreciate in value or that for some other reason the interests of the parties will be best served thereby, the court may order that such property be sold or may appoint a receiver or direct the levying

officer to take charge of, cultivate, care for, preserve, collect, harvest, pack, or sell such property.

(b) Notwithstanding subdivision (a), if the levying officer determines that property is extremely perishable or will greatly deteriorate or greatly depreciate in value before a court order for the sale of the property could be obtained, the levying officer may take any action necessary to preserve the value of the property or sell the property. The levying officer is not liable for a determination made in good faith under this subdivision.

(c) Any sale of such property shall be made in the same manner that property is sold on execution and the proceeds shall be deposited in the court to abide the judgment in the action.

(d) Where a receiver is appointed, the court shall fix the daily fee of such receiver and may order the plaintiff to pay such fee and expenses of the receiver in advance or may direct that the whole or any part of such fee and expenses be paid from the proceeds of any sale of such property.

(e) Except as otherwise provided in this section, the provisions of Chapter 5 (commencing with Section 564) and Chapter 5a (commencing with Section 571) of Title 7 govern the appointment, qualifications, powers, rights, and duties of a receiver appointed under this section.

SEC. 35. Section 488.555 is added to the Code of Civil Procedure, to read:

488.555. (a) The defendant may apply by noticed motion to the court in which the action is pending for an order releasing the attachment of property to the extent that the value of the defendant's interest in the property clearly exceeds the amount necessary to satisfy the amount to be secured by the attachment.

(b) The notice of motion shall state the grounds on which the motion is based and shall be accompanied by an affidavit supporting any factual issues raised and points and authorities supporting any legal issues raised.

(c) At the hearing on the motion, the court shall determine the value of the defendant's interest in the property and order the release of the attachment of the property to the extent that the value of the defendant's interest in the property attached clearly exceeds the amount necessary to satisfy the amount to be secured by the attachment.

(d) The court's determinations shall be made upon the basis of the pleadings and other papers in the record; but, upon good cause shown, the court may receive and consider at the hearing additional evidence, oral or documentary, and additional points and authorities, or it may continue the hearing for the production of such additional evidence or points and authorities.

SEC. 36. Section 488.560 of the Code of Civil Procedure is amended to read:

488.560. (a) The levying officer shall release an attachment whenever he receives a written direction to that effect from the

plaintiff, or a certified copy of an order of the court in which the action is pending, discharging or dissolving the attachment or releasing the property.

(b) Where the property to be released has been taken into custody, it shall be released to the person from whom it was taken unless otherwise ordered by the court. If such person cannot be found within the county where the property was levied upon, the levying officer shall retain the property but give notice to such person by registered or certified mail, return receipt requested, sent to such person's last known address, as to where he may secure its possession. If, after 30 days from the giving of such notice, such person has not claimed the property, the levying officer shall sell such property in the same manner that property is sold on execution and deposit the proceeds, after first deducting his costs and expenses, in the court to abide the judgment in the action.

(c) Where the property to be released has not been taken into custody, the levying officer shall release the attachment by issuing a written release addressed to the person served with the copy of the writ and notice and, where the writ and notice were recorded or filed, by recording or filing such written release in the same office.

(d) The levying officer is not liable for releasing an attachment in accordance with this section nor is any other person liable for acting in conformity with the release.

SEC. 36.5. Section 489.060 of the Code of Civil Procedure is amended to read:

489.060. (a) Except as provided in subdivision (b), all undertakings shall be presented to a proper court for approval and upon approval shall be filed with the court in which the action is pending. An undertaking becomes effective upon filing.

(b) Where the surety on the undertaking is a corporate surety possessing a certificate of authority from the Insurance Commissioner as provided by Section 1056, the undertaking is not required to be approved by the court.

(c) Nothing in this chapter shall be construed to preclude approval of an undertaking in an amount larger than that required.

SEC. 37. Section 489.130 is added to the Code of Civil Procedure, to read:

489.130. Where the court orders the amount of the undertaking increased pursuant to Section 489.220 or 489.410, the plaintiff's failure to increase the amount of the undertaking is not a wrongful attachment within the meaning of Section 490.010.

SEC. 37.5. Section 489.210 of the Code of Civil Procedure is amended to read:

489.210. Before issuance of a writ of attachment or a temporary protective order, the plaintiff shall file an undertaking to pay the defendant any amount the defendant may recover for any wrongful attachment by the plaintiff in the action.

SEC. 38. Section 489.220 of the Code of Civil Procedure is amended to read:

489.220. (a) Except as provided in subdivision (b), the amount of an undertaking filed pursuant to this article shall be five hundred dollars ($500) in an action in justice court, two thousand five hundred dollars ($2,500) in an action in the municipal court, and seven thousand five hundred dollars ($7,500) in an action in the superior court.

(b) If, upon objection to the undertaking, the court determines that the probable recovery for wrongful attachment exceeds the amount of the undertaking, it shall order the amount of the undertaking increased to the amount it determines to be the probable recovery for wrongful attachment if it is ultimately determined that the attachment was wrongful.

SEC. 39. Section 489.230 of the Code of Civil Procedure is amended to read:

489.230. (a) The notice of attachment shall include a statement, in a form adopted by the Judicial Council, advising the defendant that the undertaking has been filed and informing him of his right to object to the undertaking on the grounds provided in Section 489.070.

(b) The form for the temporary protective order shall include a statement comparable to the one required by subdivision (a).

SEC. 40. Section 489.310 of the Code of Civil Procedure is amended to read:

489.310. (a) Whenever a writ is issued, a defendant who has appeared in the action may apply by noticed motion to the court in which the action is pending for an order permitting the defendant to substitute an undertaking for any of his property in the state which has been or is subject to being attached.

(b) In a case (1) where the defendant applies for an order to release a portion of property which has been attached or (2) where the defendant applies for an order preventing the attachment of property and the amount of the undertaking to be given is less than the amount to be secured by the attachment, the application shall include a statement, executed under oath, describing the property to be so released or so protected from attachment.

(c) The defendant shall file an undertaking to pay the plaintiff the value of the property released not exceeding the amount of any judgment which may be recovered by the plaintiff in the action against the defendant. The amount of the undertaking filed pursuant to this section shall be equal to the lesser of (1) the value of the property attached or prevented from being attached or (2) the amount specified by the writ to be secured by the attachment. The court shall issue such order upon the condition that a sufficient undertaking be filed.

(d) Where an action is against more than one defendant, any defendant may make such application. The filing of an undertaking by such defendant shall not subject him to any demand against any other defendant; however, the levying officer shall not be prevented thereby from attaching, or be obliged to release from attachment,

any property of any other defendant. Where all the defendants do not join in the application, the application shall include a statement, executed under oath, describing the character of the defendant's title to the property and the manner in which the defendant acquired such title and stating whether any other defendant who has not joined in the application has an interest in the property. Where two or more defendants have an interest in the same property, a joint application and undertaking shall be filed to secure the release of such property.

SEC. 41. Section 489.320 of the Code of Civil Procedure is amended to read:

489.320. (a) A defendant who has been served with a temporary protective order and who has appeared in the action may apply by noticed motion to the court in which the action is pending for an order terminating the temporary protective order with respect to such defendant.

(b) The defendant shall file an undertaking to pay the plaintiff the amount of any judgment recovered by the plaintiff in the action against such defendant. The amount of the undertaking filed pursuant to this section shall be equal to the amount of the plaintiff's claim. The court shall issue the order terminating the temporary protective order with respect to such defendant upon the condition that a sufficient undertaking be filed.

SEC. 42. Section 490.010 of the Code of Civil Procedure is amended to read:

490.010. A wrongful attachment consists of any of the following:

(a) The levy of a writ of attachment or the service of a temporary protective order in an action in which attachment is not authorized, except that it is not a wrongful attachment if both of the following are established:

(1) The levy was not authorized solely because of the prohibition of subdivision (c) of Section 483.010.

(2) The person who sold or leased, or licensed for use, the property, furnished the services, or loaned the money reasonably believed that it would not be used primarily for personal, family, or household purposes.

(b) The levy of a writ of attachment or the service of a temporary protective order in an action in which the plaintiff does not recover judgment.

(c) The levy of a writ of attachment obtained pursuant to Article 3 (commencing with Section 484.510) of Chapter 4 or Chapter 5 (commencing with Section 485.010) on property exempt from attachment except where the plaintiff shows that he reasonably believed that the property attached was not exempt from attachment.

(d) The levy of a writ of attachment on property of a person other than the person against whom the writ was issued except that it is not a wrongful attachment if all of the following exist:

(1) The property levied on is required by law to be registered or

recorded in the name of the owner.

(2) It appeared that, at the time of the levy, the person against whom the writ was issued was such registered or record owner.

(3) The plaintiff made the levy in good faith and in reliance on the registered or recorded ownership.

SEC. 43. Section 491.010 of the Code of Civil Procedure is amended to read:

491.010. (a) Upon application of the plaintiff, the court may order any person owing debts to the defendant, or having in his possession or under his control any personal property belonging to the defendant, to appear before the court and be examined on oath regarding such property. Where a corporation or a partnership or other unincorporated association is to be examined, it shall designate one or more officers, directors, managing agents, or other persons who are familiar with the property held, or the debts owed, by the corporation or partnership or other unincorporated association, to appear and be examined. The plaintiff's application shall be accompanied by an affidavit showing that the person named therein owes debts to the defendant or has in his possession or under his control personal property belonging to the defendant.

(b) The plaintiff shall give the defendant at least three days' notice of an examination ordered pursuant to this chapter.

(c) If the person ordered to appear pursuant to this section fails to appear, and if the order requiring his appearance has been served by a levying officer or some person specially appointed by the court in the order, the court may, pursuant to a warrant, have such person brought before the court to answer for such failure to appear.

(d) After such examination, if the person admits that he is indebted to the defendant, or that he holds property belonging to the defendant, the court may order that such debt or property belonging to the defendant be attached in the manner and under the conditions provided by this title and that any amount owing be paid to the levying officer. If the person admits that he holds property which belongs to the defendant and in which he claims no interest, the court may order that such property be delivered to the levying officer on such terms as may be just.

SEC. 44. Section 492.030 of the Code of Civil Procedure is amended to read:

492.030. (a) The court shall examine the application and supporting affidavit and shall issue a right to attach order, which shall state the amount to be secured by the attachment, and order a writ of attachment to be issued upon the filing of an undertaking as provided by Sections 489.210 and 489.220, if it finds all of the following:

(1) The claim upon which the attachment is based is one upon which an attachment may be issued.

(2) The plaintiff has established the probable validity of the claim upon which the attachment is based.

(3) The defendant is one described in Section 492.010.

(4) The attachment is not sought for a purpose other than the recovery on the claim upon which the attachment is based.

(5) The affidavit accompanying the application shows that the property sought to be attached, or the portion thereof to be specified in the writ, is subject to attachment pursuant to Section 492.040.

(b) If the court finds that the application and supporting affidavit do not satisfy the requirements of this chapter, it shall so state and deny the order. If denial is solely on the ground that the defendant is not one described in Section 492.010, the judicial officer shall so state and such denial does not preclude the plaintiff from applying for a right to attach order and writ of attachment under Chapter 4 (commencing with Section 484.010) with the same affidavits and supporting papers.

SEC. 45. Section 492.090 of the Code of Civil Procedure is amended to read:

492.090. The court shall examine the application and supporting affidavit and shall order a writ of attachment to be issued upon the filing of an undertaking as provided by Sections 489.210 and 489.220, if it finds both of the following:

(a) A right to attach order has been issued in the action pursuant to Section 492.030.

(b) The affidavit accompanying the application shows that the property sought to be attached, or the portion thereof to be specified in the writ, is subject to attachment pursuant to Section 492.040.

SEC. 46. Section 688 of the Code of Civil Procedure is amended to read:

688. (a) All goods, chattels, moneys or other property, both real and personal, or any interest therein, of the judgment debtor, not exempt by law, and all property and rights of property levied upon under attachment in the action, are subject to execution.

(b) All property subject to execution may be levied upon or released from levy in like manner as like property may be levied upon or released from attachment, except that tangible personal property in the possession of the judgment debtor shall always be levied upon in the manner provided by Section 488.320. Notwithstanding the provisions of Title 6.5 (commencing with Section 481.010), service on the judgment debtor of a copy of the writ of execution shall be made either by personal delivery or by mail to the judgment debtor at the address furnished by the judgment creditor. To levy upon any property or debt owed to the judgment debtor which is subject to execution but for which a method of levy of attachment is not provided, the levying officer shall serve upon the person in possession of such property or owing such debt, or his agent (1) a copy of the writ of execution and (2) a notice that such property or debt is levied upon in pursuance of such writ.

(c) Until a levy, no property shall be affected by issuance of a writ of execution or its delivery to the levying officer.

(d) No levy shall bind any property for a longer period than one year from the date of the issuance of the execution, except a levy on

the interests or claims of heirs, devisees, or legatees in or to assets of deceased persons remaining in the hands of executors or administrators thereof prior to distribution and payment. However, an alias execution may be issued on said judgment and levied on any property not exempt from execution.

(e) Notwithstanding subdivision (a), no cause of action nor judgment as such, nor license issued by this state to engage in any business, profession, or activity, shall be subject to levy or sale on execution.

(f) When a check, draft, money order, or other order for the withdrawal of money from a banking corporation or association, the United States, any state, or any public entity within any state, payable to the defendant on demand, comes into the possession of a levying officer under a writ of execution, the provisions of Section 488.520 are applicable.

SEC. 47. Section 690.50 of the Code of Civil Procedure is amended to read:

690.50. (a) If the property mentioned in Section 690.1 to 690.29, inclusive, shall be levied upon under writ of execution, the judgment debtor (herein referred to as "the debtor"), in order to avail himself of his exemption rights as to such property, shall within 20 days, in the case of real property described in Section 690.235, and 10 days, in the case of all other property, from the date such property was levied upon deliver to the levying officer an affidavit of himself or his agent, together with a copy thereof, alleging that the property levied upon, identifying it, is exempt, specifying the section or sections of this code on which he relies for his claim to exemption, and all facts necessary to support his claim, and also stating therein his address within this state for the purpose of permitting service by mail upon him of the counteraffidavit and any notice of the motion herein provided. For purposes of this section, if the property levied upon consists of the earnings of a judgment debtor, each date that earnings are withheld from the judgment debtor shall be deemed to be the date such earnings were levied upon. A judgment debtor shall have the right to file a separate claim of exemption each time that a withholding of earnings occurs, provided, that if a prior claim of exemption has been adjudicated under the same levy, that each separate claim of exemption thereafter be supported by a statement under oath alleging the changed circumstances which support the new claim of exemption. If a claim of exemption be allowed, the judgment creditor shall have the right, at any time during the effective period of the claim of exemption, to move the court for consideration of the claim previously granted on the grounds of a material change of circumstances affecting the debtor's exemption rights. If the judgment creditor does make such a motion, he must support his motion by a statement under oath alleging the changed circumstances which support his motion for consideration.

(b) Forthwith upon receiving the affidavit of exemption, the levying officer shall serve upon the person in whose favor the writ

runs (herein referred to as "the creditor"), either personally or by mail, a copy of the affidavit of exemption, together with a writing, signed by the levying officer, stating that the claim to exemption has been received and that the officer will release the property unless he receives from the creditor a counteraffidavit within 10 days after service of such writing, in the case of real property described in Section 690.235, and within five days after service of such writing, in all other cases.

(c) If the creditor desires to contest the claim to exemption, he shall, within such period of 10 days, in the case of real property described in Section 690.235, and five days, in all other cases, file with the levying officer a counteraffidavit alleging that the property is not exempt within the meaning of the section or sections of this code relied upon, or if the claim to exemption be based on Sections 690.2, 690.3, 690.4, or 690.6, alleging that the value of the property claimed to be exempt is in excess of the value stated in the applicable section or sections, together with proof of service of a copy of such counteraffidavit upon the debtor.

(d) If no such counteraffidavit, with such proof of service, is so filed with the levying officer within the time allowed, the officer shall forthwith release the property.

(e) If such counteraffidavit, with such proof of service, is so filed, either the creditor or the debtor shall be entitled to a hearing in the court in which the action is pending or from which the writ issued for the purpose of determining the claim to exemption, the priority or division of payment between one or more creditors from nonexempt earnings under the provisions of Section 690.6 or the value of the property claimed to be exempt. Such hearing shall be granted by the court upon motion of either party made within five days after the counteraffidavit is filed with the levying officer, and such hearing must be had within 15 days from the date of the making of such motion unless continued by the court for good cause. The party making the motion for hearing shall give not less than five days' notice in writing of such hearing to the levying officer and to the other party, and specify therein that the hearing is for the purpose of determining the claim to exemption. The notice may be of motion or of hearing and upon the filing of the notice with the clerk of the court, the motion is deemed made.

(f) If neither party makes such motion within the time allowed, or if the levying officer shall not have been served with a copy of the notice of hearing within 10 days after the filing of the counteraffidavit, the levying officer shall forthwith release the property to the debtor.

(g) At any time while the proceedings are pending, upon motion of either party or upon its own motion, the court may (1) order the sale of any perishable property held by such officer and direct disposition of the proceeds of such sale, and (2) make such other orders as may be proper under the particular circumstances of the case. Any orders so made may be modified or vacated by the court

or judge granting the same, or by the court in which the proceedings are pending, at any time during the pendency of the proceedings, upon such terms as may be just.

(h) The levying officer in all cases shall retain physical possession of the property levied upon if it is capable of physical possession, or in the case of property not capable of physical possession, the levy shall remain in full force and effect, pending the final determination of the claim to exemption. However, no sale under execution shall be had prior to such final determination unless an order of the court hearing the claim for exemption shall so provide.

(i) At such hearing, the party claiming the exemption shall have the burden of proof. The affidavits and counteraffidavits shall be filed by the levying officer with the court and shall constitute the pleadings, subject to the power of the court to permit an amendment in the interests of justice. The affidavit of exemption shall be deemed controverted by the counteraffidavit and both shall be received in evidence. Nothing herein shall be construed to deprive anyone of the right to a jury trial in any case where, by the Constitution, such right is given, but a jury trial may be waived in any such case in like manner as in the trial of an action. No findings shall be required in a proceeding under this section. When the hearing is before the court sitting without a jury, and no evidence other than the affidavit and counteraffidavit is offered, the court, if satisfied that sufficient facts are shown thereby, may make its determination thereon. Otherwise, it shall order the hearing continued for the production of other evidence, oral or documentary, or the filing of other affidavits and counteraffidavits. At the conclusion of the hearing, the court shall give judgment determining whether the claim to exemption shall be allowed or not, in whole or in part, and may give judgment determining the priority or division of payment between one or more creditors from nonexempt earnings under the provisions of Section 690.6, which judgment shall be determinative as to the right of the creditor to have the property taken and held by the officer or to subject the property to payment or other satisfaction of his judgment. In such judgment the court shall make all proper orders for the disposition of such property or the proceeds thereof.

(j) A copy of any judgment entered in the trial court shall be forthwith transmitted by the clerk to the levying officer in order to permit such officer to either release the property attached or to continue to hold it to sell it, in accordance with the provisions of the writ previously delivered to him. Such officer, unless an appeal from the judgment is waived, or the judgment has otherwise become final, shall continue to hold such property under attachment or execution, continuing the sale of any property held under execution until such judgment becomes final. However, if a claim to exemption under Section 690.6 is allowed by such judgment, the debtor shall be entitled to a release of the earnings so exempted at the expiration of three days, unless otherwise ordered by the court, or unless the levying officer shall have been served with a copy of a notice of

appeal from the judgment.

(k) When any documents required hereunder are served by mail, the provisions of this code relating to service by mail shall be applicable thereto.

(*l*) Whenever the time allowed for an act to be done hereunder is extended by the court, written notice thereof shall be given promptly to the opposing party, unless such notice be waived, and to the levying officer.

(m) An appeal lies from any judgment under this section. Such appeal shall be taken in the manner provided for appeals in the court in which the proceeding is had.

CHAPTER 438

An act to amend Sections 789.9 and 789.10 of the Civil Code, relating to mobilehome park tenancies.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 789.9 of the Civil Code is amended to read:

789.9. The management of a mobilehome park shall provide tenants with the park rules and regulations and the language of Sections 789.4 to 789.13, inclusive, in written form either included within the rules and regulations of the park or in the rental agreement.

SEC. 2. Section 789.10 of the Civil Code is amended to read:

789.10. The ownership or management of a park, subdivision, cooperative, or condominium for mobilehomes shall not make as a condition or precondition of residency or tenancy that the mobilehome be prohibited from remaining in the mobilehome park in the event of a sale to a third party during the term of the tenant's lease or any renewal or extension thereof; provided, however, that the owner may, in the event of a sale to a third party, in order to upgrade the quality of his mobilehome park, require that any mobilehome less than 10 feet wide or more than 15 years old or 25 years old if manufactured after September 15, 1971, or both, or any mobilehome in a rundown condition or in disrepair be removed from the park. The ownership or management shall use reasonable discretion in determining the condition of the mobilehome and its accessory structures.

Nothing in this section shall be construed to deny the ownership or management the right to require prior approval of a purchaser if the mobilehome will remain located in the mobilehome park or other facility and the selling tenant or his agent shall give notice to the ownership or management of the sale prior to the close of the

sale; provided, however, that the approval of a purchaser cannot be withheld if the purchaser as a prospective tenant has the financial ability to pay the rent and charges of the park unless the ownership or management reasonably determines that the prospective tenant will not, based upon prior tenancies, comply with the requirements of the rules and regulations of the mobilehome park. The ownership or management may require that the purchaser as a prospective tenant comply with any rule and regulation of the mobilehome park limiting residence within the park to adults only.

A tenant shall be permitted to advertise the sale or exchange of his mobilehome, or the rental or lease of such mobilehome if rental or lease is not prohibited under terms of an agreement with the ownership or management of a park. Such sign may (1) advertise that the mobilehome is for sale or exchange, or that it is for rental or lease if rental or lease is not prohibited, by the owner or his agent; (2) state the owner's or agent's name, address and telephone number; (3) be of reasonable dimensions but may be at least 12 inches in width and 12 inches in length; and (4) be displayed in the window of the mobilehome.

No rental, lease, or sale agreement shall contain any provision by which the purchaser or tenant waives his rights under this section, and any such waiver shall be deemed contrary to public policy and shall be void and unenforceable.

CHAPTER 439

An act to amend Section 6738 of the Business and Professions Code, relating to professional engineers.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976]

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

SECTION 1. Section 6738 of the Business and Professions Code is amended to read:

6738. (a) This chapter does not prohibit one or more civil, electrical or mechanical engineers from practicing or offering to practice within the scope of their registration, civil, electrical or mechanical engineering through the medium of a partnership, firm or corporation; provided:

(1) A civil, electrical or mechanical engineer is the partner, member, or directing officer in charge of the engineering practice of the partnership, firm, or corporation.

(2) All engineering plans, specifications, and reports are prepared by or under the direct supervision of a registered engineer in the appropriate branch of professional engineering, who shall sign or stamp with his seal such plans, specifications, and reports.

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(3) The partnership, firm or corporate name shall not contain the name of any person who is either not registered by the board in a branch of professional engineering, or as an architect, or of any person who is not registered as a geologist under the provisions of the Geologist Act (Chapter 12.5, commencing with Section 7800, of this division); provided, that any holding out by such partnership, firm, or corporation of any individual or individuals to the public as a member, or members, of such partnership, firm, or corporation, other than by the use of the name or names of such individual or individuals in the partnership, firm, or corporate name, shall clearly and specifically designate the license status of such individual or individuals.

(b) Except as provided in Section 6737.2, nothing herein shall authorize the offering to practice or the practice of civil, electrical or mechanical engineering by any persons, either as a member, officer or employee of any partnership, firm, or corporation, who is not registered in the appropriate branch of professional engineering.

(c) This chapter does not prevent or prohibit an individual, firm, company, association or corporation engaged in any line of business other than the practice of civil, electrical or mechanical engineering from employing a registered civil, electrical or mechanical engineer to perform the corresponding civil, electrical or mechanical engineering services incidental to the conduct of their business.

(d) The provisions of this section shall not apply to, or prevent the use of the name of, any partnership, firm, or corporation engaged in rendering civil engineering services which lawfully is in existence, or was lawfully in existence on or after September 30, 1947; provided, all civil engineering plans, specifications, and reports are prepared by or under the direct supervision of a registered civil engineer, who may be a member of the firm, or a permanent employee of the partnership, firm, or corporation; provided further, that all civil engineering plans, specifications and reports shall be signed by or stamped with the seal of the registered civil engineer in charge of the preparation of the same.

Nor shall they apply to or prevent the use of the name of any partnership, firm, or corporation engaged in rendering electrical or mechanical engineering services which lawfully is in existence, or was lawfully in existence, on or after December 31, 1967; provided all electrical or mechanical engineering plans, specifications, and reports are prepared correspondingly by or under the direct supervision of a registered electrical or mechanical engineer, who may be a member of the firm, or a permanent employee of the partnership, firm, or corporation; provided further that all electrical or mechanical engineering plans, specifications and reports shall correspondingly be signed by or stamped with the seal of the registered electrical or mechanical engineer in charge of the preparation of the same.

(e) The provisions of this section shall not prevent the use of the name of a partnership, firm, or corporation engaged in rendering

professional engineering services which lawfully is in existence or was lawfully in existence on or after September 30, 1947, by any lawful successor in interest or survivor if the board, upon written application informing it of the proposed method of carrying on the business and of the changes, if any, in personnel in charge of the engineering activities of the successor or survivor, determines, after hearing, that the actual operating organization of the partnership, firm, or corporation is substantially carried into and becomes an operating part of the successor or survivor and that the public safety, health, and welfare will not be impaired; provided that in the practice of professional engineering such successor in interest or survivor shall otherwise be subject to the provisions of paragraphs (1) and (2) of subdivision (a) of this section.

CHAPTER 440

An act to amend Sections 730 and 731 of the Welfare and Institutions Code, relating to the Juvenile Court Law.

[Approved by Governor July 9, 1976 Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 730 of the Welfare and Institutions Code is amended to read:

730. When a minor is adjudged a ward of the court on the ground that he is a person described by Section 601, the court may order any of the types of treatment referred to in Section 727, and as an additional alternative, may commit the minor to a juvenile home, ranch, camp or forestry camp. If there is no county juvenile home, ranch, camp or forestry camp within the county, the court may commit the minor to the county juvenile hall.

When such ward is placed under the supervision of the probation officer or committed to his care, custody and control, the court may make any and all reasonable orders for the conduct of such ward including the requirement that he go to work and earn money for the support of his dependents or to effect reparation and in either case that he keep an account of his earnings and report the same to the probation officer and apply such earnings as directed by the court. The court may impose and require any and all reasonable conditions that it may determine fitting and proper to the end that justice may be done and the reformation and rehabilitation of the ward enhanced.

SEC. 2. Section 730 of the Welfare and Institutions Code is amended to read:

730. When a minor is adjudged a ward of the court on the ground that he is a person described by Section 601, the court may order any

of the types of treatment referred to in Section 362, and as an additional alternative, may commit the minor to a juvenile home, ranch, camp or forestry camp. If there is no county juvenile home, ranch, camp or forestry camp within the county, the court may commit the minor to the county juvenile hall.

When such ward is placed under the supervision of the probation officer or committed to his care, custody and control, the court may make any and all reasonable orders for the conduct of such ward including the requirement that he go to work and earn money for the support of his dependents or to effect reparation and in either case that he keep an account of his earnings and report the same to the probation officer and apply such earnings as directed by the court. The court may impose and require any and all reasonable conditions that it may determine fitting and proper to the end that justice may be done and the reformation and rehabilitation of the ward enhanced.

SEC. 3. Section 731 of the Welfare and Institutions Code is amended to read:

731. When a minor is adjudged a ward of the court on the ground that he is a person described by Section 602, the court may order any of the types of treatment referred to in Sections 727 and 730, and as an additional alternative, may commit the minor to the Youth Authority if such minor has been found to have violated any law of this state or of the United States or any ordinance of any city or county of this state defining crime.

SEC. 4. Section 731 of the Welfare and Institutions Code is amended to read:

731. When a minor is adjudged a ward of the court on the ground that he is a person described by Section 602, the court may order any of the types of treatment referred to in Sections 362 and 730, and as an additional alternative, may commit the minor to the Youth Authority if such minor has been found to have violated any law of this state or of the United States or any ordinance of any city or county of this state defining crime.

SEC. 5. It is the intent of the Legislature, if this bill and Senate Bill No. 2172 are both chaptered and become effective January 1, 1977, both bills amend Section 730 of the Welfare and Institutions Code, and this bill is chaptered after Senate Bill No. 2172, that the amendments to Section 730 proposed by both bills be given effect and incorporated in Section 730 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Senate Bill No. 2172 are both chaptered and become effective January 1, 1977, both amend Section 730, and this bill is chaptered after Senate Bill No. 2172, in which case Section 1 of this act shall not become operative.

SEC. 6. It is the intent of the Legislature, if this bill and Senate Bill No. 2172 are both chaptered and become effective January 1, 1977, both bills amend Section 731 of the Welfare and Institutions Code, and this bill is chaptered after Senate Bill No. 2172, that the

amendments to Section 731 proposed by both bills be given effect and incorporated in Section 731 in the form set forth in Section 4 of this act. Therefore, Section 4 of this act shall become operative only if this bill and Senate Bill No. 2172 are both chaptered and become effective January 1, 1977, both amend Section 731, and this bill is chaptered after Senate Bill No. 2172, in which case Section 3 of this act shall not become operative.

CHAPTER 441

An act to add Section 8820.1 to the Elections Code, relating to county central committees.

[Approved by Governor July 9, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 8820.1 is added to the Elections Code, to read:

8820.1. Notwithstanding Section 8820, in a county of the seventh class as defined in Section 28028 of the Government Code, the county central committee shall consist of seven members elected from each Assembly district, whether wholly or partly within the county, provided each such member is a resident of the county. Only a person who is a resident of the county may vote for a candidate for membership to the county central committee.

CHAPTER 442

An act to amend Section 11266 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor July 9, 1976 Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 11266 of the Welfare and Institutions Code is amended to read:

11266. Notwithstanding the provisions of Section 11056, if at the time of application the county determines that the applicant needs immediate assistance because he does not have sufficient resources to meet the immediate needs of his family, the county shall pay such applicant one hundred dollars ($100) or the maximum amount to which such applicant is eligible, whichever is less. The county shall verify such applicant's eligibility within 15 working days, and

advance payments made under this section shall be offset against the first grant payment made to the recipient. If eligibility is not verified within 15 working days, pursuant to this section, the county shall bear the entire cost of the advance payment made to the applicant.

SEC. 2. This act shall become operative on July 1, 1977.

CHAPTER 443

An act to amend Sections 53100, 53106, 53109, 53112, 53113, 53114.2, 53115 and 53117 of, to add Sections 53108.1, 53115.1, 53115.2 and 53118 to, and to repeal Sections 53118, 53119 and 53120 of, the Government Code, and to add Part 20 (commencing with Section 41001) to Division 2 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor, to take effect immediately, tax levy.

[Approved by Governor July 10, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 53100 of the Government Code is amended to read:

53100. (a) This article shall be known and may be cited as the Warren-911-Emergency Assistance Act.

(b) The Legislature hereby finds and declares that it is in the public interest to shorten the time required for a citizen to request and receive emergency aid. There currently exist thousands of different emergency phone numbers throughout the state, and present telephone exchange boundaries and central office service areas do not necessarily correspond to public safety and political boundaries. Provision of a single, primary three-digit emergency number through which emergency services can be quickly and efficiently obtained would provide a significant contribution to law enforcement and other public service efforts by making it less difficult to quickly notify public safety personnel. Such a simplified means of procuring emergency services will result in the saving of life, a reduction in the destruction of property, quicker apprehension of criminals, and ultimately the saving of money. The Legislature further finds and declares that the establishment of a uniform, statewide emergency number is a matter of statewide concern and interest to all inhabitants and citizens of this state. It is the purpose of this act to establish the number "911" as the primary emergency telephone number for use in this state and to encourage units of local government and combinations of such units to develop and improve emergency communication procedures and facilities in such a manner as to be able to quickly respond to any person calling the telephone number "911" seeking police, fire, medical, rescue, and other emergency services.

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SEC. 1.2. Section 53106 of the Government Code is amended to read:

53106. "Referral method," as used in this article, means a telephone service which, upon the receipt of a telephone request for emergency services, provides the requesting party with the telephone number of the appropriate public safety agency or other provider of emergency services. The use of the referral method shall only be used for nonemergency situations.

SEC. 1.1. Section 53108.1 is added to the Government Code, to read:

53108.1. "Incremental costs", as used in this article, mean any costs necessary for the establishment of a system required by this article and recommended for reimbursement by the advisory committee established by Section 53115.1 other than costs for (1) a basic system, (2) a basic system with telephone central office identification, or (3) a system employing automatic call routing, which are reasonable, necessary and unique for the planning and efficient implementation of a local agency's 911 system.

SEC. 2. Section 53109 of the Government Code is amended to read:

53109. Every local public agency within its respective jurisdiction shall establish and have in operation by December 31, 1984, a basic system as provided in this article, or be part of such a system.

The establishment of such systems shall be centralized to the extent feasible. Nothing in this article shall be construed to prohibit or discourage in any way the formation of multijurisdictional or regional systems, and any system established pursuant to this article may include the territory of more than one public agency or may include a segment of the territory of a public agency.

SEC. 2.1. Section 53112 of the Government Code, as amended by Chapter 1044 of the Statutes of 1975, is amended to read:

53112. All systems shall be designed to meet the specific requirements of each community and public agency served by the system. Every system, whether basic or sophisticated, shall be designed to have the capability of utilizing at least three of the methods specified in Sections 53103 to 53106, inclusive, in response to emergency calls. The Legislature finds and declares that the most critical aspect of the design of any system is the procedure established for handling a telephone request for emergency services.

In addition, to maximize efficiency and utilization of the system, all pay telephones within each system shall, by December 31, 1984, enable a caller to dial "911" for emergency services, and to reach an operator by dialing "0", without the necessity of inserting a coin. At those "911" public safety answering points serving an area where 5 percent or more of the population, in accordance with the latest United States census information, speak a specific primary language other than English, operators who speak each such other language, in addition to English, shall be on duty or available through

interagency telephone conference procedures at all times for "911" emergency services.

SEC. 3. Section 53113 of the Government Code is amended to read:

53113. The Legislature finds that, because of overlapping jurisdiction of public agencies, public safety agencies, and telephone service areas, a general overview or plan should be developed prior to the establishment of any system. In order to insure that proper preparation and implementation of such systems is accomplished by all public agencies by December 31, 1984, the Communications Division, with the advice and assistance of the Attorney General, shall secure compliance by public agencies as provided in this article.

SEC. 4. Section 53114.2 of the Government Code is amended to read:

53114.2. Technical and operational standards for the development of the public agency systems shall be established and reviewed by the Communications Division on or before December 31, 1973, after consultation with all agencies specified in Section 53114.1. On or before December 31, 1976, and each even-numbered year thereafter, after consultation with all agencies specified in Section 53114.1, the Communications Division shall review and update technical and operational standards for public agency systems.

SEC. 5. Section 53115 of the Government Code is amended to read:

53115. (a) On or before January 31, 1975, all public agencies shall submit tentative plans for the establishment of a system required by this article to the public utility or utilities providing public telephone service within the respective jurisdiction of each public agency. A copy of each such plan shall be filed with the Communications Division.

(b) On or before July 1, 1978, all public agencies shall submit final plans to the Communications Division for approval. On or before July 1, 1979 all public agencies shall place a firm order as approved by the Communications Division to the utility or utilities providing telephone service to the public agency, and shall make arrangements with such utilities for the implementation of the planned emergency telephone system no later than December 31, 1984.

(c) If any public agency has implemented or is a part of a system required by this article on a deadline specified in subdivision (a) or (b), such public agency shall submit in lieu of the tentative or final plan a report describing the system and stating its operational date.

(d) Plans filed pursuant to subdivisions (a) and (b) shall conform to minimum standards established pursuant to Section 53114.2.

(e) The Communications Division shall monitor all emergency telephone systems to ensure they comply with minimal operational and technical standards as established by the division. If any system does not comply the Communications Division shall notify in writing the public agency or agencies operating the system of its deficiencies.

The public agency shall bring the system into compliance with the operational and technical standards within 60 days of notice by the division. Failure to comply within such time shall subject the public agency to action by the Attorney General pursuant to Section 53116.

SEC. 5.1. Section 53115.1 is added to the Government Code, to read:

53115.1. The Advisory Committee on the State Emergency Telephone Number is hereby created and established in the Department of General Services. The Communications Division shall provide staff services to the advisory committee.

It is the intention of the Legislature that the advisory committee will assist the Department of General Services in resolving conflicts between state and local government and the communications industry relating to implementation of the emergency telephone number system when requested by the Communications Division.

It is the purpose of the advisory committee to evaluate requests from local agencies for state assistance for incremental costs and to recommend to the Chief of the Communications Division, Department of General Services when appropriation for reimbursement to a local agency for such incremental costs should be made. The advisory committee will be formed on or before January 1, 1977. A majority vote of the membership of the advisory committee shall be required for approval of plans referred to the committee. The committee shall elect a chairman and meet at the call of the chairman. The committee shall consist of nine members and shall be appointed in the following manner:

(a) Three of the members shall be selected from the largest service suppliers of intrastate communications services in the state to represent all service suppliers, to be appointed by the Director of General Services.

(b) Three of the members shall be selected from local agencies to be appointed by the Director of General Services. Urban and rural local agencies shall be represented.

(c) One member shall represent the Department of Finance, selected by the Director of Finance.

(d) Two of the members shall be representatives of the Legislature. One shall be designated by the Speaker of the Assembly and one shall be designated by the Senate Rules Committee.

The members of the advisory committee shall receive no compensation for their services, but shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of their duties. Members shall serve one-year terms subject to reappointment. If a member misses two successive meetings without approval by the chairman, then in that event that member's position shall be considered vacant. Prior to the next meeting a new member to fill the vacancy shall be appointed.

SEC. 5.2. Section 53115.2 is added to the Government Code, to read:

53115.2. The committee shall only review final plans which have

been referred for consideration for incremental funding by the Communications Division at the request of a local agency. The committee shall make a recommendation to the Communications Division regarding state appropriation for payment or reimbursement for incremental costs.

The committee may also act in a general advisory capacity to the Communications Division relative to the implementation of any "911" system.

SEC. 6. Section 53117 of the Government Code is amended to read:

53117. (a) On or before February 16, 1975, the Communications Division shall report to the Legislature the progress in the implementation of systems required by this article. Such reports shall contain its recommendations for additional legislation.

(b) In December of 1973 and in December of 1974 the Communications Division, with the advice and assistance of the Attorney General, shall submit recommendations to the Department of Finance and to the Governor specifying amounts necessary to further implement the organization of telephone systems specified in this article during the succeeding fiscal year. The report specified in this subdivision shall contain, in addition, an estimate of the fiscal impact to local public agencies which will be caused by implementation of the provisions of this article.

SEC. 6.1. Section 53118 of the Government Code is repealed.

SEC. 6.2. Section 53118 is added to the Government Code, to read:

53118. The Legislature declares that a major purpose in enacting this article is to eliminate instances in which a responding emergency service refuses to render aid to the requester because the requester is outside of the jurisdictional boundaries of the emergency service. A public safety agency which receives a request through the system for emergency services outside its jurisdictional boundaries shall transmit the request to the proper public safety answering point or public safety agency utilizing the methods described in Sections 53103 to 53105, inclusive. In the event an emergency unit is dispatched in response to a request through the system, such unit shall render its services to the requesting party without regard to whether the unit is operating outside its normal jurisdictional boundaries until properly relieved by the public safety agency responsible for that geographical area. Public agencies within a single system and public agencies in different systems but whose jurisdictional boundaries are contiguous are authorized to enter into joint powers agreements or any other form of written cooperative agreement to implement this requirement. These agreements may further provide for a public safety agency to render aid outside its normal jurisdictional boundaries when need arises on a day-to-day basis.

SEC. 6.3. Section 53119 of the Government Code is repealed.

SEC. 6.4. Section 53120 of the Government Code is repealed.

SEC. 7. Part 20 (commencing with Section 41001) is added to Division 2 of the Revenue and Taxation Code, to read:

PART 20. EMERGENCY TELEPHONE USERS SURCHARGE LAW

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

41001. This part is known and may be cited as the "Emergency Telephone Users Surcharge Act".

41002. Except where the context otherwise requires, the definitions given in this chapter govern the construction of this part.

41003. "Person" includes an individual, firm, partnership, copartnership, joint venture, association, cooperative organization, fraternal organization, nonprofit organization, corporation, estate, trust, business or common law trust, receiver, assignee for the benefit of creditors, trustee or trustee in bankruptcy.

"Person" does not include a nonprofit hospital, nonprofit educational organization, or a public agency.

41004. "Board" means the State Board of Equalization.

41005. "In this state" means within the exterior limits of the State of California and includes all territory within those limits owned by or ceded to the United States of America.

41006. "Public agency" means this state, and any city, county, city and county, municipal corporation, public district, or public authority located in whole or in part within this state which provides or has authority to provide firefighting, police, ambulance, medical, or other emergency services.

41007. "Service supplier" shall mean any person supplying intrastate telephone communication services to any service user in this state.

41008. As used in this part, "month" shall mean a calendar month.

41009. "Service user" means any person using intrastate telephone communication services in this state who is required to pay a surcharge under the provisions of this part.

41010. "Intrastate telephone communication services" means all local or toll telephone services where the point or points of origin and the point or points of destination of the service are all located in this state.

41011. "Charges for services" means all charges billed by a service supplier to a service user for intrastate telephone communications services and shall mean local telephone service and include monthly service flat-rate charges for usage, message unit charges and shall mean toll charges, and include intra-state-wide area telephone service charges. "Charges for services" shall not include any tax imposed by the United States or by any charter city, charges for service paid by inserting coins in a public coin-operated telephone, and shall not apply to amounts billed to nonsubscribers for coin shortages. Where a coin-operated telephone service is

furnished for a guarantee or other periodic amount, such amount is subject to the surcharge imposed by this part.

"Charges for services" shall not include charges for intrastate toll calls where bills for such calls originate out of California.

"Charges for services" shall not include charges for any nonrecurring, installation, service connection or one-time charge for service or directory advertising, and shall not include private communication service charges, charges for other than communications service, or any charge made by a hotel or motel for service rendered in placing calls for its guests regardless of how such hotel or motel charge is denominated or characterized by an applicable tariff of the Public Utilities Commission of this state.

"Charges for services" shall not include charges for basic exchange line service for lifeline services.

41012. "Public telephone" means any coin-operated telephone provided by the serving telephone company accessible to the public.

41013. "Surcharge" means a tax levied by this state.

41014. Notwithstanding any other provision of law to the contrary, persons subject to the jurisdiction of the Public Utilities Commission of the State of California need not obtain an authorization from the commission to comply with the provisions of this part, nor shall such persons obtain any such authorization on behalf of any hotel or motel, in order that such entities be permitted to collect and recoup the surcharge imposed hereby upon any charge for services measured by time units or other time measurement, from their guests, in addition to any applicable tariff rates.

41015. "Local telephone service" shall mean

(a) The access to a local telephone system, and the privilege of telephonic quality communication with substantially all persons having telephone or radiotelephone stations constituting a part of such local telephone system, and

(b) Any facility or service provided in connection with a service described in paragraph (1).

The term "local telephone service" does not include any service which is a "toll telephone service" or a "private communication service".

41016. "Toll telephone service" shall mean

(a) A telephonic quality communication for which (1) there is a toll charge which varies in amount with the distance and elapsed transmission time of each individual communication and (2) the charge is paid within the United States, and

(b) A service which entitles the subscriber, upon payment of a periodic charge (determined as a flat amount or upon the basis of total elapsed transmission time), to the privilege of an unlimited number of telephonic communications to or from all or a substantial portion of the persons having telephone or radiotelephone stations in a specified area which is outside the local telephone system area in which the station provided with this service is located.

41017. "Private communication service" shall mean

(a) The communication service furnished to a subscriber which entitles the subscriber—

(1) To exclusive or priority use of any communication channel or groups of channels, or

(2) To the use of an intercommunication system for the subscriber's stations, regardless of whether such channel, groups of channels, or intercommunication system may be connected through switching with a service described in Sections 41015 and 41016,

(b) Switching capacity, extension lines and stations, or other associated services which are provided in connection with, and are necessary or unique to the use of channels or systems described in subdivision (a), and

(c) The channel mileage which connects a telephone station located outside a local telephone system area with a central office in such local telephone system, except that such term shall not include any communication service unless a separate charge is made for such service.

41018. "Communications equipment company" shall mean a manufacturer or vendor that sells or leases communications equipment.

41019. No surcharge shall be imposed on charges for any types of service or equipment furnished by a service supplier subject to public utility regulation during any period in which the same or similar services or equipment are also available for sale or lease from persons other than a service supplier subject to public utility regulation.

CHAPTER 2. THE SURCHARGE

Article 1. Imposition of the Surcharge

41020. A surcharge is hereby imposed on amounts paid by every person in the state for intrastate telephone communication services in this state commencing on July 1, 1977.

The surcharge imposed shall be at the rate of one-half of 1 percent of the charges made for such services to and including November 1, 1978, at such a rate as shall be fixed pursuant to Article 2 of this chapter thereafter.

The surcharge shall be paid by the service user as hereinafter provided.

41021. Every service supplier shall collect the surcharge from each service user at the time it collects its billings from the service user, provided, the duty to collect the surcharge from a service user shall commence with the beginning of the first regular billing period applicable to that person which starts on or after the operative date of the surcharge imposed by this part. If the stations or lines of more than one service supplier are utilized in furnishing the telephone communications services to the service user, the service supplier that bills the customer shall collect the surcharge from the customer.

Only one payment under this part shall be required with respect to the surcharge on any service, notwithstanding that the lines or stations of one or more service suppliers are used in furnishing such service.

41022. The surcharge required to be collected by the service supplier shall be added to and stated separately in its billings to the service user.

41023. The surcharge required to be collected by the service supplier, and any amount unreturned to the service user which is not a surcharge but was collected from the service user as representing a surcharge, constitute debts owed by the service supplier to this state.

A service supplier that has collected any amount of surcharge in excess of the amount of surcharge imposed by this part and actually due from a service user, may refund such amount to the service user, even though such surcharge amount has already been paid over to the board and no corresponding credit or refund has yet been secured. Any service supplier making a refund of any charge to a service user upon which surcharge is collected under this part from the service user may repay therewith the amount of the surcharge paid. The service supplier may claim credit for such overpayment against the amount of surcharge imposed by this part which is due upon any other quarterly return, providing such credit is claimed in a return dated no later than three years from the date of overpayment.

41024. Every service user in this state is liable for the surcharge until it has been paid to this state, except that payment to a service supplier registered under this part is sufficient to relieve the user from further liability for the tax.

Any surcharge collected from a service user which has not been remitted to the board shall be deemed a debt owed to the State of California by the person required to collect and remit such surcharge. Nothing in this part shall impose any obligation upon a service supplier to take any legal action to enforce the collection of the utility users surcharge imposed by this part. The service supplier shall provide the board with amounts uncollected along with the names, addresses and reasons of the service users refusing to pay the surcharge imposed by this part.

41025. If a bill is rendered to persons using intrastate telephone services the amount on which the surcharge with respect to such services shall be based shall be the sum of all charges for such services included in the bill; except that if the person who renders the bill groups individual items for purposes of rendering the bill and computing the surcharge then the amount on which the surcharge with respect to each such group shall be based, shall be the sum of all items within that group, and the surcharge on the remaining items not included in any such group, shall be based on the charge for each item separately.

41026. In the payment of the surcharge imposed by this part, a

fractional part of a cent shall be disregarded unless it amounts to one-half or more, in which case it shall be increased to one cent.

41027. Nothing in this part shall be construed as imposing a surcharge upon amounts paid by any person when imposition of such surcharge would be in violation of the Constitution of the United States, the United States Code, or the laws of the State of California, nor upon toll charges used in the collection and dissemination of news for the public press or on charges for wide area telephone service used by common carriers in the conduct of their business.

Article 2. Adjustment of Surcharge Rate

41030. Following approval of the Budget Act each year, beginning with the Budget Act for the 1978–79 fiscal year, the board shall determine, on the basis of expenditures authorized in the Budget Act to be made from the "State Emergency Telephone Number Account" in the General Fund and its estimate of the charges for intrastate telephone communications services to which the surcharge will apply, a surcharge rate that it estimates will produce sufficient revenues to fund the expenditures authorized. Such rate shall not exceed three-quarters of 1 percent.

41031. The board shall make its determination of such surcharge rate each year no later than September 1 and shall fix the new rate which shall be effective as provided in Section 41033.

41032. Immediately upon making its determination and fixing the surcharge rate, the board shall each year no later than September 1 publish in its minutes the new rate, and it shall notify by mail every service supplier registered with it of the new rate.

41033. The new rate fixed by the board pursuant to this article shall apply with respect to charges made for interstate telephone communication services on and after November 1 of each year.

Article 3. Registration

41040. Every service supplier in this state shall register with the board upon a form prescribed by the board and shall set forth the name under which it transacts or intends to transact business and such other information as the board may require.

CHAPTER 3. SPECIAL PROVISIONS AND EXEMPTIONS

41045. The surcharges imposed by this part shall be collected insofar as practicable at the same time as, and along with, the charges made in accordance with regular billing practice of the service supplier.

The charges for services determined by or stated on a billing of a service supplier in accordance with its business practices and accounting records to have been supplied to a service user during any calendar month or billing period of the service supplier shall be

presumed to be correct. The presumption may be rebutted by evidence which establishes that the charges for services were other than such amount.

41046. There are exempt from the surcharge charges for intrastate telephone communication services which are exempt from the federal communication services tax pursuant to Section 4253 of the Internal Revenue Code of 1954.

41049. In any instances where an exemption is claimed by reason of the provisions of this part, and the service supplier questions the validity of the claimed exemption, either the service supplier or the service user may request the board to issue a ruling as to the validity of the claimed exemption, accompanying the request with a statement showing the facts and basis for the claim. The board shall issue its ruling within 30 days of receipt of the request. Pending issuance of the ruling, the service supplier shall not be obligated to collect the surcharge from the claimant.

CHAPTER 4. DETERMINATION OF SURCHARGE

Article 1. Due and Payable Dates

41050. The surcharge imposed by Section 41020 attaches at the time the intrastate telephone communication services are billed by the service supplier to the service user and shall be paid by the service user when paying for such services.

41051. The surcharges imposed by this part and the amounts thereof required to be collected are due quarterly, the amount of surcharge collected in one calendar quarter by the service supplier shall be remitted to the board no later than 60 days after the close of a calendar quarter.

41052. On or before December 1, 1978, and the 60th day of each calendar quarter following, a return for the preceding quarter shall be filed with the board in such form as the board may prescribe.

The service supplier will include a list of any service users refusing to pay the surcharge imposed by this part with each return filing.

41053. The person required to file the return shall deliver the return together with a remittance of the amount of the surcharge payable to the office of the board.

41054. The board for good cause may extend not to exceed one month the time for making any return or paying any amount required to be paid under this part. The extension may be granted at any time provided a request therefor is filed with the board within or prior to the period for which the extension may be granted.

41055. All amounts required to be paid to the state under this part shall be paid to the board in the form of remittances payable to the State Board of Equalization of the State of California.

41056. The service supplier shall maintain such records as may be necessary to determine the amount of surcharge collected under provisions of this part. Such records shall be maintained for a period

of three years from the time the surcharge is due.

Article 3. Deficiency Determinations

41070. If the board is not satisfied with return or returns of the surcharge or the amount of surcharge required to be paid upon the basis of the facts contained in the return or returns or upon the basis of any information within its possession or that may come into its possession. One or more deficiency determinations may be made of the amount payable for one or for more than one period.

41071. The amount of the determination, exclusive of penalties, shall bear interest at the rate of three-fourths of 1 percent per month, or fraction thereof, from the last day of the month following the month for which the amount or any portion thereof should have been returned until the date of payment.

41072. In making a determination the board may offset overpayments for another period or periods, against underpayments for another period or periods, against penalties, and against the interest on the underpayments.

41073. If any part of the deficiency for which a deficiency determination is made is due to negligence or intentional disregard of this part or authorized rules and regulations, a penalty of 10 percent of the amount of the determination or ten dollars ($10), whichever is greater, shall be added thereto.

41074. If any part of the deficiency for which a deficiency determination is made is due to fraud or an intent to evade this part or authorized rules and regulations, a penalty of 25 percent of the amount of the determination or twenty-five dollars ($25), whichever is greater, shall be added thereto.

41075. The board shall give to the service supplier or service user written notice of its determination. The notice shall be placed in a sealed envelope with postage paid addressed to the service supplier or service user at his address as it appears in the records of the board. The notice shall be sent either certified or registered mail. The giving of notice shall be deemed complete at the time of the deposit of the notice in the United States post office or facility regularly maintained or provided by the United States Postal Service, without extension of time for any reason. In lieu of mailing, a notice may be served personally by delivering to the person to be served and service shall be deemed complete at the time of such delivery. Personal service to a corporation may be made by delivery of a notice to any person designated in the Code of Civil Procedure to be served for the corporation with summons and complaint in a civil action.

41076. Except in the case of fraud, intent to evade this part or authorized rules and regulations, or failure to make a return every notice of a deficiency determination shall be mailed within three years after the last day of the calendar month following the quarterly period for which the amount is proposed to be determined or within three years after the return is filed, whichever period expires the

later. In the case of failure to make a return, every notice of determination shall be mailed within eight years after the last day of the calendar month following the month for which the amount is proposed to be determined.

41077. In the case of a deficiency arising under this part during the lifetime of a decedent, a notice of deficiency determination shall be mailed within four months after written request therefor, in the form required by the board, by the fiduciary of the estate or trust or by any other person liable for the tax or any portion thereof.

Article 4. Determinations if No Return Made

41080. If any person fails to make a return, the board shall make an estimate of the amount of the charges for services by the person, or, as the case may be of the amount of charges for services received by the persons, in this state which are subject to the surcharge. The estimate shall be made for the period or periods in respect to which the person failed to make a return and shall be based upon any information which is in the board's possession or may come in its possession. Upon the basis of this estimate the board shall compute and determine the amount required to be paid to the state, adding to the sum thus arrived at a penalty equal to 10 percent thereof, or ten dollars ($10), whichever is greater. One or more determinations may be made for one or for more than one period.

41081. In making a determination the board may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments.

41082. The amount of the determination, exclusive of penalties, shall bear interest at the rate of three-fourths of 1 percent per month, or fraction thereof, from the last day of the month following the quarterly period for which the amount or any portion thereof should have been returned until the date of payment.

41083. If the failure of any person to file a return is due to fraud or an intent to evade this part or rules and regulations, a penalty of 25 percent of the amount required to be paid by the person, exclusive of penalties, or twenty-five dollars ($25), whichever is greater, shall be added thereto in addition to the penalty provided in Section 41080.

41084. Promptly after making its determination the board shall give to the person written notice of the estimate, determination, and penalty, the notice to be served personally or by mail in the manner prescribed for service of notice of a deficiency determination.

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Article 5. Redeterminations

41085. Any person against whom a determination is made under Article 3 or 4 of this chapter may petition for a redetermination within 30 days after service upon the person of notice thereof. If a petition for redetermination is not filed within the 30-day period, the determination becomes final at the expiration of the period.

41086. Every petition for redetermination shall be in writing and shall state the specific grounds upon which the petition is founded. The petition may be amended to state additional grounds at any time prior to the date on which the board issues its order or decision upon the petition for redetermination.

41087. If a petition for redetermination is filed within the 30-day period, the board shall reconsider the determination and, if the person has so requested in his petition, shall grant the person an oral hearing and shall give him 10 days' written notice of the time and place of the hearing. The board may continue the hearing from time to time as may be necessary.

41088. The board may decrease or increase the amount of the determination before it becomes final, but the amount may be increased only if a claim for the increase is asserted by the board at or before the hearing. Unless the penalty imposed by Section 41074 or Section 41080 applies to the amount of the determination as originally made or as increased, the claim for increase must be asserted within eight years after the last day of the calendar month following the quarterly period for which the increase is asserted.

41089. The order or decision of the board upon a petition for redetermination becomes final 30 days after service upon the petitioner of notice thereof.

41090. All determinations made by the board under Article 3 or 4 of this chapter are due and payable at the time they become final. If they are not paid when due and payable, a penalty of 10 percent of the amount of the determination, exclusive of interest and penalties or ten dollars ($10), whichever is greater, shall be added thereto.

41091. Any notice required by this article shall be served personally or by mail in the manner prescribed for service of notice of a deficiency determination.

Article 6. Interest and Penalties

41095. Any person who fails to pay any surcharge to the state or any amount of surcharge required to be collected and paid to the state, except amounts of determinations made by the board under Article 3 (commencing with Section 41070) or Article 4 (commencing with Section 41080), of this chapter, within the time required shall pay a penalty of 10 percent of the surcharge or amount of the surcharge or ten dollars ($10), whichever is greater, in addition to the tax or amount of surcharge, plus interest at the rate

of three-fourths of 1 percent per month, or fraction thereof, from the date on which the surcharge or the amount of tax required to be collected became due and payable to the state until the date of payment.

41096. If the board finds that a person's failure to make a timely return or payment is due to reasonable cause and circumstances beyond the person's control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the penalty provided by Sections 41080 and 41095.

Any person seeking to be relieved of the penalty shall file with the board a statement under penalty of perjury setting forth the facts upon which he bases his claim for relief.

CHAPTER 5. OVERPAYMENTS AND REFUNDS

Article 1. Claim for Refund

41100. If the board determines that any amount, penalty, or interest has been paid more than once or has been erroneously or illegally collected or computed, the board shall set forth that fact in the records of the board and shall certify to the State Board of Control the amount collected in excess of the amount legally due and the person from whom it was collected or by whom paid. If approved by the State Board of Control the excess amount collected or paid shall be credited by the board on any amounts then due and payable from the person from whom the excess amount was collected or by whom it was paid under this part, and the balance shall be refunded to the person, or his successors, administrators, or executors.

In the case, however, of a determination by the board that an amount not exceeding one thousand dollars ($1,000) was not required to be paid under this part, the board without obtaining approval of the State Board of Control may credit the amount on any amounts then due and payable under this part from the person by whom the amount was paid and may refund the balance to the person or his successors, administrators, or executors.

Any overpayment of the surcharge by a service user to a service supplier who is required to collect the surcharge shall be credited or refunded by the state to the service user; provided however, that if the service supplier has paid the amount to the board and establishes to the satisfaction of the board that it has not collected the amount from the service user or has refunded the amount to the service user, the overpayment may be credited or refunded by the state to the service supplier.

41101. No refund shall be approved by the board after three years from the last day of the month following the close of the quarterly period for which the overpayment was made, or, with respect to determinations made under Article 3 or 4 of Chapter 4 of this part, after six months from the date the determinations become final, or

after six months from the date of overpayment, whichever period expires the later, unless a claim therefor is filed with the board within such period. No credit shall be approved by the board after the expiration of such period unless a claim for credit is filed with the board within such period.

41102. Every claim shall be in writing and shall state the specific grounds upon which the claim is founded.

41103. Failure to file a claim within the time prescribed in this article constitutes a waiver of any demand against the state on account of overpayment.

41104. Within 30 days after disallowing any claim in whole or in part the board shall give notice of its action to the claimant in the manner prescribed for service of notice of a deficiency determination.

41105. Interest shall be paid upon any overpayment of any amount of tax at the rate of three-fourths of 1 percent per month from the last day of the calendar month following the quarterly period for which the overpayment was made; but no refund or credit shall be made of any interest imposed upon the person making the overpayment with respect to the amount being refunded or credited.

The interest shall be paid:

(a) In the case of a refund, to the last day of the calendar month following the date upon which the person making the overpayment, if he has not already filed a claim, is notified by the board that a claim may be filed or the date upon which the claim is approved by the board, whichever date is the earlier.

(b) In the case of a credit, to the same date as that to which interest is computed on the surcharge or amount against which the credit is applied.

41106. If the board determines that any overpayment has been made intentionally or by reason of carelessness, it shall not allow any interest thereon.

Article 2. Cancellations

41107. If any amount in excess of one thousand dollars ($1,000) has been illegally determined either by the person filing the return or by the board, the board shall set forth that fact in its records and certify to the State Board of Control the amount determined to be in excess of the amount legally due and the person against whom the determination was made. If the State Board of Control approves, it shall authorize the cancellation of the amount upon the records of the board. If an amount not exceeding one thousand dollars ($1,000) has been illegally determined either by the person filing a return or by the board, the board without certifying this fact to the State Board of Control shall authorize the cancellation of the amount upon the records of the board.

Article 3. Suit for Refund

41108. No injunction, or writ of mandate, judgment of declaratory relief, or other legal or equitable process shall issue in any suit, action, or proceeding in any court against the state or against any officer of the state to prevent or enjoin the collection under this part of any tax or any amount of tax required to be collected.

41109. No suit or proceeding shall be maintained in any court for the recovery of any amount alleged to have been erroneously or illegally determined or collected unless a claim for refund or credit has been duly filed pursuant to Article 1 of this chapter.

41110. Within 90 days after the mailing of the notice of the board's action upon a claim filed pursuant to Article 1 of this chapter, the claimant may bring an action against the board on the grounds set forth in the claim in a court of competent jurisdiction in any city or city and county of this state in which the Attorney General has an office for the recovery of the whole or any part of the amount with respect to which the claim has been disallowed.

41111. If the board fails to mail notice of action on a claim within six months after the claim is filed, the claimant may, prior to the mailing of notice by the board of its action on the claim, consider the claim disallowed and bring an action against the board on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment.

41112. If judgment is rendered for the plaintiff, the amount of the judgment shall first be credited on any surcharge due and payable from the plaintiff. The balance of the judgment shall be refunded to the plaintiff.

41113. In any judgment, interest shall be allowed at the rate of 6 percent per annum upon the amount found to have been illegally collected from the date of payment of the amount to the date of allowance of credit on account of the judgment or to a date preceding the date of the refund warrant by not more than 30 days, the date to be determined by the board.

41114. A judgment shall not be rendered in favor of the plaintiff in any action brought against the board to recover any amount paid when the action is brought by or in the name of an assignee of the person paying the amount or by any person other than the person who paid the amount.

CHAPTER 6. COLLECTION OF TAX

Article 1. Suit for Tax

41115. At any time within 10 years after any tax or any amount of tax required to be collected becomes due and payable, and at any time after any amount determined under Article 3 (commencing with Section 41070), Article 4 (commencing with Section 41080) or Article 5 (commencing with Section 41085) of Chapter 4 of this part

becomes due and payable, the board may bring an action in the courts of this state, of any other state, or of the United States in the name of the people of California to collect the amount delinquent together with penalties.

41116. The Attorney General shall prosecute the action, and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proof, trials, and appeals are applicable to the proceedings.

41117. In the action a writ of attachment may issue, and no bond or affidavit previous to the issuing of the attachment is required.

41118. In the action a certificate by the board showing the delinquency shall be prima facie evidence of the determination of the surcharge or the amount of surcharge, of the delinquency of the amounts set forth, and of the compliance by the board with all the provisions of this part in relation to the computation and determination of the amounts.

41119. In any action brought under this part process may be served according to the Code of Civil Procedure and the Civil Code of this state or may be served upon any agent or clerk in this state employed by a service supplier in a place of business maintained by the service supplier in this state. In the latter case a copy of the process shall forthwith be sent by registered mail to the service supplier at its principal or home office.

Article 2. Notice to Withhold

41120. If any person is delinquent in the payment of the amount required to be paid by him or in the event a determination has been made against him which remains unpaid, the board may, not later than five years after the payment became delinquent, give notice thereof personally or by registered mail to all persons, including any officer or department of the state or any political subdivision or agency of the state, having in their possession or under their control any credits or other personal property belonging to the delinquent, or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or such person. In the case of any state officer, department or agency, the notice shall be given to such officer, department or agency prior to the time it presents the claim of the delinquent to the State Controller.

41121. After receiving the notice the person so notified shall neither transfer nor make any other disposition of the credits, other personal property, or debts in their possession or under their control at the time they receive the notice until the board consents to a transfer or disposition or until 60 days elapse after the receipt of the notice, whichever period expires the earlier.

41122. All persons so notified shall forthwith after receipt of the notice advise the board of all such credits, other personal property, or debts in their possession, under their control, or owing by them. If such notice seeks to prevent the transfer or other disposition of a

deposit in a bank or other credits or personal property in the possession or under the control of a bank, the notice to be effective shall state the amount, interest and penalty due from the person and shall be delivered or mailed to the branch or office of such bank at which such deposit is carried or at which such credits or personal property is held. Notwithstanding any other provision, with respect to a deposit in a bank or other credits or personal property in the possession or under the control of a bank, the notice shall only be effective with respect to an amount not in excess of two times the amount, interest and penalty due from the person.

41123. If, during the effective period of the notice to withhold, any person so notified makes any transfer or disposition of the property or debts required to be withheld hereunder, to the extent of the value of the property or the amount of the debts thus transferred or paid he shall be liable to the state for any indebtedness due under this part from the person with respect to whose obligation the notice was given if solely by reason of such transfer or disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

Article 3. Warrant for Collection

41125. At any time within five years after any person is delinquent in the payment of any amount required to be paid under this part the board or its authorized representative may issue a warrant for the collection of any amount required to be paid to the state under this part. The warrant shall be directed to any sheriff, marshal or constable and shall have the same effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same effect as a levy and a sale pursuant to a writ of execution.

41126. The board shall pay the sheriff, marshal or constable upon the completion of his services pursuant to a warrant, the same fees, commissions, and expenses for his services as are provided by law for similar services pursuant to a writ of execution. The board, and not the court, shall approve the fees for publication in a newspaper.

41127. The fees, commissions, and expenses are the obligation of the person required to pay any amount under this part and may be collected from him by virtue of the warrant or in any other manner provided in this part for the collection of the surcharge.

CHAPTER 7. ADMINISTRATION

Article 1. Regulations, Records and Reports

41128. The board shall enforce the provisions of this part and may prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement of this part. The board shall not prescribe, adopt or enforce any rule or regulation which has the

effect, directly or indirectly, of altering the terms and conditions of service of a service supplier serving the general public, other than the imposition of the surcharge.

41129. Every service supplier in this state shall keep such records pertaining thereto in such form as the board may require.

41130. Upon proper notification to the service supplier, the board or its authorized representative shall have the right to inspect and audit all records and returns of the service supplier at all reasonable times.

41131. The board shall have full access to records of the Public Utilities Commission, and any political subdivision or public agency of this state that regulates, operates or owns a public utility, which pertain to the furnishing of telephone communication services in this state.

Article 2. Disposition of Proceeds

41135. All amounts required to be paid to the state under this part shall be paid to the board in the form of remittances payable to the State Board of Equalization of the State of California. The board shall transmit the payments to the State Treasurer to be deposited in the State Treasury to the credit of the State Emergency Telephone Number Account in the General Fund, which is hereby created.

41136. Funds in the State Emergency Telephone Number Account shall, when appropriated by the Legislature, be spent solely for the following purposes:

(a) To pay refunds authorized by this part.

(b) To pay the State Board of Equalization for the cost of the administration of this part.

(c) To pay the Department of General Services for its costs in administration of the "911" emergency telephone number system.

(d) To pay bills submitted to the Department of General Services by service suppliers or communications equipment companies for the installation and ongoing communications services supplied local agencies in connection with the "911" emergency phone number system:

(1) A basic system.

(2) A basic system with telephone central office identification.

(3) A system employing automatic call routing.

(4) Approved incremental costs.

(e) To pay claims of local agencies for approved incremental costs, not previously compensated for by another governmental agency.

(f) To pay claims of local agencies for incremental costs and amounts, not previously compensated for by another governmental agency, incurred prior to the effective date of this part, for the installation and ongoing expenses for the following communication services supplied in connection with the "911" emergency phone number system:

(1) A basic system.

(2) A basic system with telephone central office identification.

(3) A system employing automatic call routing.

(4) Approved incremental costs. Such incremental costs shall not be allowed unless such costs are recommended by the advisory committee and concurred in by the Communications Division.

41137. The Department of General Services shall pay, from funds appropriated from the State Emergency Telephone Number Account by the Legislature, as provided in Section 41138, bills submitted by service suppliers or communications equipment companies for the installation and ongoing costs of the following communication services provided local agencies by service suppliers in connection with the "911" emergency telephone number system:

(a) A basic system.

(b) A basic system with telephone central office identification.

(c) A system employing automatic call routing.

(d) Approved incremental costs which have been recommended by the advisory committee and concurred in by the Communications Division.

41137.1. The Department of General Services shall pay, from funds appropriated from the State Emergency Telephone Number Account by the Legislature, as provided in Section 41138, claims submitted by local agencies for approved incremental costs.

41138. The department shall pay such bills as provided in Section 41137 only under the following conditions:

(1) The department shall have received the local agencies "911" emergency telephone number system plan by July 1 of the prior fiscal year and approved such plan by October 1 of the prior fiscal year.

(2) The Legislature has appropriated in the Budget Bill an amount sufficient to pay such bills.

(3) The amounts to be paid shall not exceed the contract or established tariff rates for the costs of telephone equipment.

(4) The amounts to be paid shall not exceed approved incremental costs.

41139. From funds appropriated by the Legislature from the Emergency Telephone Number Account, the department shall begin paying such bills as provided in Sections 41137, 41137.1, and 41138 in the 1977–78 fiscal year for plans submitted by local agencies by July 1, 1976 to the department which the department has approved.

41140. The Department of General Service shall reimburse local agencies, from funds appropriated from the Emergency Telephone Number Account by the Legislature, for amounts not previously compensated for by another governmental agency, which have been paid by such agencies for approved incremental costs or to service suppliers or communication equipment companies for the following communications services supplied in connection with the "911" emergency phone number, provided such local agency plans had

been approved by the department:

(1) A basic system.

(2) A basic system with telephone central office identification.

(3) A system employing automatic call routing.

(4) Approved incremental costs.

41141. Claims for reimbursement shall be submitted by local agencies by July 1 to be eligible for payment in the following fiscal year. The department shall prescribe the form on which the claims shall be made and shall reduce the claim for charges which exceed the approved incremental costs, approved contract amounts or the established tariff rates for such costs. No claim shall be paid until funds are appropriated by the Legislature.

41142. Notwithstanding any other provision of this article, if the Legislature fails to appropriate an amount sufficient to pay bills submitted to the Department of General Services by service suppliers or communications equipment companies for the installation and ongoing communications services supplied local agencies in connection with the "911" emergency phone number system, and to pay claims of local agencies which, prior to the effective date of this part, paid amounts to service suppliers or communications equipment companies for the installation and ongoing expenses in connection with the "911" emergency phone number system, the obligation of service suppliers and local agencies to provide "911" emergency telephone service shall terminate and such service shall not again be required until the Legislature has appropriated an amount sufficient to pay such bills or claims. Nothing in this part shall preclude local agencies from purchasing or acquiring any communication equipment from companies other than the telephone service suppliers.

Article 3. Notices

41144. A certificate by the board or an employee of the board stating that a notice required by this part was given by mailing or personal service shall be prima facie evidence in any administrative or judicial proceeding of the fact and regularity of the mailing of personal service in accordance with any requirement of this part for the giving of notice. Unless otherwise specifically required, any notice required by this part to be mailed or served may be given by mailing or personal service in the manner provided for giving notice of a deficiency determination.

Article 4. Purpose

41150. The Legislature hereby declares and finds that to enable public agencies to implement "911" emergency phone systems required by the provisions of Chapter 1005 of the 1972 Regular Session (Article 6 (commencing with Section 53100) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code) it is necessary

that a surcharge be imposed upon amounts paid by every person in the state for intrastate telephone communication services in this state. This bill will provide funding for basic 911, basic 911 (including telephone central office identification) 911 with selective routing or a combination of the above. These services will include incoming 911 lines/trunks, 911 answering positions including common control equipment, transfer lines and transfer positions. In addition, this part will provide funding for incremental costs.

SEC. 8. The funding for any additional requirements shall be borne by local agencies.

SEC. 9. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement arising out of the enactment of Part 20 of Division 2 of the Revenue and Taxation Code or of the rules and regulations that are adopted pursuant thereto for the administration thereof by the State Board of Equalization.

SEC. 9.5. There is hereby appropriated from the General Fund to the Department of General Services, for the 1976–77 and 1977–78 fiscal years, the sum of one million two hundred twenty-two thousand dollars ($1,222,000), to pay bills as provided in Sections 41136, 41137, 41137.1, 41138 and 41140 of the Revenue and Taxation Code, as added by Section 7 of this act.

SEC. 10. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 11. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 444

An act to amend Sections 1063.1, 11732, 11736, and 11779 of, and to add Sections 11801, 11802, 11803, and 11804 to, the Insurance Code, relating to longshoremen's and harbor workers' insurance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. In enacting the provisions of this act, it is the intent of the Legislature, in support of California industry and commerce, to (1) act to provide immediate relief to the crisis facing California employers and employees due to a serious lack of availability of insurance protection against the liability imposed by the United States Longshoremen's and Harbor Workers' Compensation Act

resulting from the substantial changes to this federal law by the 1972 amendments which swept more employers under the act and radically increased the benefits and assure that such insurance protection is available from the broadest possible market at a premium that is reasonable and equitable to the California employer while concurrently providing the insurance carrier an adequate premium from which to pay claims.

This act will authorize the State Compensation Insurance Fund to respond more effectively to the needs of both California employers and employees by more fully providing the required insurance protection. This act also provides that the necessary adequate minimum rates be promulgated by the Insurance Commissioner.

SEC. 2. Section 1063.1 of the Insurance Code is amended to read:

1063.1. As used in this article:

(a) "Member insurer" means an insurer required to be a member of the association in accordance with the provisions of subdivision (a) of Section 1063, except and to the extent that such insurer is participating in an insolvency program adopted by the United States government.

(b) "Insolvent insurer" means a member insurer for which a domiciliary or ancillary liquidator has been appointed in this state after the effective date of this article.

(c) (1) "Covered claims" means the obligations of an insolvent insurer, (i) imposed by law and arising out of an insurance policy of the insolvent insurer; (ii) which were unpaid by the insolvent insurer; (iii) which are presented as a claim to the liquidator in this state or to the association on or before the last date fixed for the filing of claims in the domiciliary liquidating proceedings; (iv) which were incurred prior to, on, or within 30 days after the date the liquidator was appointed; (v) for which the assets of the insolvent insurer are insufficient to discharge in full; (vi) in the case of a policy of workmen's compenation insurance, to provide workmen's compensation benefits under the Workmen's Compensation Law of this state and (vii) in the case of other classes of insurance if such policy is issued to a resident of this state or claim against an insured thereunder is made by a resident of this state.

(2) "Covered claims" shall not include any obligations arising from life, title, surety, disability, credit, mortgage, or mortgage guaranty insurance, nor arising from a policy of ocean marine insurance.

(3) "Covered claims" shall not include any obligations to refund unearned premiums, nor any obligations of the insolvent insurer arising out of any reinsurance contracts, nor any obligations incurred after the expiration date of the insurance policy or after the insurance policy has been replaced by the insured or canceled at the insured's request or after the insurance policy has been canceled by the association as provided in this chapter, nor any obligations to any state or to the federal government.

(4) "Covered claims" shall not include any obligations to insurers,

insurance pools, or underwriting associations, except as otherwise provided in this chapter.

(5) "Covered claims," except in the case of a claim for workmen's compensation benefits, shall not include any claim in an amount of one hundred dollars ($100) or less, nor the first one hundred dollars ($100) of any claim in excess of one hundred dollars ($100), nor that portion of any claim which is in excess of any applicable limits provided in the insurance policy issued by the insolvent insurer.

(6) "Covered claims" shall not include that portion of any claim, other than a claim for workmen's compensation benefits, which is in excess of five hundred thousand dollars ($500,000).

(7) "Covered claims" shall not include (a) any claim to the extent it is covered by any other insurance of a class covered by the provisions of this article available to the claimant nor (b) any claim by any person other than the original claimant under the insurance policy in his own name, his executor, administrator, guardian or other personal representative or trustee in bankruptcy and shall not include any claim asserted by an assignee or one claiming by right of subrogation, except as otherwise provided in this chapter.

(8) "Covered claims" shall not include any obligations arising out of the issuance of an insurance policy written by the separate division of the State Compensation Insurance Fund pursuant to the provisions of Sections 11802 and 11803.

(d) "Admitted to transact insurance in this state" means an insurer possessing a valid certificate of authority issued by the California Department of Insurance.

SEC. 3. Section 11732 of the Insurance Code is amended to read:

11732. The commissioner shall approve or issue, as adequate for all admitted workers' compensation insurers, a classification of risks and premium rates relating to California workers' compensation insurance and, with respect to operations carried on principally within the borders of this state, United States longshoremen's and harbor workers' compensation insurance. He may also approve or issue a system of merit rating. Such classification and system shall be uniform as to all insurers affected.

SEC. 4. Section 11736 of the Insurance Code is amended to read:

11736. An insurer shall not issue, renew or continue in force any workers' compensation insurance under a law of this state nor United States longshoremen's and harbor workers' compensation insurance with respect to operations carried on principally within the borders of this state, at premium rates which are less than the rates approved or issued by the commissioner. The effective date of such rates shall be the date fixed by the commissioner; provided, however, this prohibition shall not apply to United States longshoremen's and harbor workers' compensation insurance provided in an ocean marine policy issued pursuant to the provisions of Chapter 1 (commencing with Section 1880) of Part 1, Division 2 of this code.

SEC. 5. Section 11779 of the Insurance Code is amended to read:

11779. (a) The fund may insure California employers against

their liability for compensation or damages for injury or death under the United States Longshoremen's and Harbor Workers' Compensation Act, or other federal or maritime laws, as fully as any private insurer.

SEC. 6. Section 11801 is added to the Insurance Code, to read:

11801. The assets, premiums, reserves, investment income, and any and all property of whatsoever kind derived or acquired by the fund from its transaction of its workers' compensation insurance business shall not be used, attached or levied upon in any manner whatsoever by any person to satisfy claims or any other obligations or liability incurred, arising out of, or related to, the fund's transaction of insurance pursuant to the United States Longshoremen's and Harbor Workers' Act.

SEC. 7. Section 11802 is added to the Insurance Code, to read:

11802. All premiums, reserves, investment income, and all property of whatsoever kind derived or acquired by the fund from its transaction of insurance pursuant to the United States Longshoremen's and Harbor Workers' Compensation Act shall be maintained and identified in separate accounts and records.

SEC. 8. Section 11803 is added to the Insurance Code, to read:

11803. All claims, costs of doing business, liabilities, expenses, and obligations arising out of or related to the fund's transaction of insurance pursuant to the United States Longshoremen's and Harbor Workers' Compensation Act shall be paid and charged to the income of whatsoever nature derived from its United States Longshoremen's and Harbor Workers' Compensation Act insurance business only.

SEC. 9. Section 11804 is added to the Insurance Code, to read:

11804. Joint or shared use of office building space, whether owned, leased or rented, and the joint use of all furniture, automobiles, office equipment, supplies and services shall be charged to each class of insurance business on an equitable and proportional basis.

SEC. 10. The provisions of this act shall be effective for two years and shall thereafter have no further force and effect; except that the authority of the State Compensation Insurance Fund to provide insurance against liability arising from the United States Longshoremen's and Harbor Workers' Compensation Act, or other federal or maritime laws, shall remain the same as before this act was enacted.

SEC. 11. Notwithstanding provisions of Section 85.2 of the Harbors and Navigation Code, two million dollars ($2,000,000) is hereby appropriated from the Harbors and Watercraft Revolving Fund as a loan to the State Compensation Insurance Fund. The loan is to provide security to enable the State Compensation Insurance Fund to provide insurance coverage required under the Federal Longshoremen's and Harbor Workers' Compensation Act. The loan is to be for a period not to exceed five years from the date of the appropriation to the State Compensation Insurance Fund, with repayment to include the principal amount of the loan, plus interest

equivalent to the rate of earnings of state special fund moneys deposited in the Surplus Money Investment Fund. In the event that repayment of the loan cannot be made from premiums charged for the coverage, the Director of Finance may make repayment from the General Fund.

In addition to the appropriation herein, it is the intent of the Legislature that if additional loan funds are necessary, a subsequent appropriation from the Harbors and Watercraft Revolving Fund may be sought. However, nothing in this act shall imply liability to or commitment of moneys in the Harbor and Watercraft Revolving Fund beyond the level of the appropriation.

SEC. 12. This is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into effect immediately. The facts constituting such necessity are:

A serious deficiency exists in the available market for insurance against the liability imposed by the Longshoremen's and Harbor Workers' Compensation Act upon certain California employers to the extent that such employers are unable to purchase appropriate insurance. The State Compensation Insurance Fund is presently precluded by law from taking care of such needs.

CHAPTER 445

An act to amend Section 4011.6 of the Penal Code and to amend Sections 508 and 705 of, and to add Section 6552 to, the Welfare and Institutions Code, relating to juveniles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 4011.6 of the Penal Code is amended to read:

4011.6. In any case in which it appears to the person in charge of a county jail, city jail, or juvenile detention facility, or to any judge of a court in the county in which the jail or juvenile detention facility is located that a person in custody in such jail or juvenile detention facility may be mentally disordered, he may cause such prisoner to be taken to a facility for 72-hour treatment and evaluation pursuant to Section 5150 of the Welfare and Institutions Code and he shall inform the facility in writing which shall be confidential, of the reasons that such person is being taken to the facility. The local mental health director or his designee may examine the prisoner prior to transfer to a facility for treatment and evaluation. Thereupon, the provisions of Article 1 (commencing with Section

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5150), Article 4 (commencing with Section 5250), Article 4.5 (commencing with Section 5260), Article 5 (commencing with Section 5275), Article 6 (commencing with Section 5300), and Article 7 (commencing with Section 5325) of Chapter 2 and Chapter 3 (commencing with Section 5350) of Part 1 of Division 5 of the Welfare and Institutions Code shall apply to the prisoner.

Where the court causes the prisoner to be transferred to a 72-hour facility, the court shall forthwith notify the local mental health director or his designee, the prosecuting attorney, and counsel for the prisoner in the criminal or juvenile proceedings about such transfer. Where the person in charge of the jail or juvenile detention facility causes the transfer of the prisoner to a 72-hour facility the person shall immediately notify the local mental health director or his designee and each court within the county where the prisoner has a pending proceeding about such transfer; upon notification by the person in charge of the jail or juvenile detention facility the court shall forthwith notify counsel for the prisoner and the prosecuting attorney in the criminal or juvenile proceedings about such transfer.

If a prisoner is detained in, or remanded to, a facility pursuant to such articles of the Welfare and Institutions Code, the facility shall transmit a report, which shall be confidential, to the person in charge of the jail or juvenile detention facility or judge of the court who caused the prisoner to be taken to the facility and to the local mental health director or his designee, concerning the condition of the prisoner. A new report shall be transmitted at the end of each period of confinement provided for in such articles, upon conversion to voluntary status, and upon filing of temporary letter of conservatorship.

A prisoner who has been transferred to an inpatient facility pursuant to this section, may convert to voluntary inpatient status without obtaining the consent of the court, the person in charge of the jail or juvenile detention facility, or the local mental health director. At the beginning of such conversion to voluntary status, the person in charge of the facility shall transmit a report to the person in charge of the jail or juvenile detention facility or judge of the court who caused the prisoner to be taken to the facility, counsel for the prisoner, prosecuting attorney, and local mental health director or his designee.

If the prisoner is detained in, or remanded to, a facility pursuant to such articles of the Welfare and Institutions Code, the time passed therein shall count as part of the prisoner's sentence. When the prisoner is so detained or remanded, the person in charge of the jail or juvenile detention facility shall advise the professional person in charge of the facility of the expiration date of the prisoner's sentence. If the prisoner is to be released from the facility before such expiration date, the professional person in charge shall notify the local mental health director or his designee, counsel for the prisoner, the prosecuting attorney, and the person in charge of the jail or juvenile detention facility, who shall send for, take, and receive the

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prisoner back into the jail or juvenile detention facility.

A defendant, either charged with or convicted of a criminal offense, or a minor alleged to be within the jurisdiction of the juvenile court may be concurrently subject to the provisions of the Lanterman-Petris-Short Act (Division 5, Part 1, Welfare and Institutions Code).

If a prisoner is detained in a facility pursuant to such articles of the Welfare and Institutions Code and if the person in charge of such facility determines that arraignment or trial would be detrimental to the well-being of the prisoner, the time spent therein shall not be computed in any statutory time requirements for arraignment or trial in any pending criminal or juvenile proceedings. Otherwise, nothing contained herein shall affect any statutory time requirements for arraignment or trial in any pending criminal or juvenile proceedings.

For purposes of this section, the term "juvenile detention facility" includes any state, county, or private home or institution in which wards or dependent children of the juvenile court or persons awaiting a hearing before the juvenile court are detained.

SEC. 2. Section 508 of the Welfare and Institutions Code is amended to read:

508. When any person under 18 years of age is detained in or sentenced to any institution in which adults are confined, it shall be unlawful to permit such person to come or remain in contact with such adults.

No person who is a ward or dependent child of the juvenile court who is detained in or committed to any state hospital or other state facility shall be permitted to come or remain in contact with any adult person who has been committed to any state hospital or other state facility as a mentally disordered sex offender under the provisions of Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6, or with any adult person who has been charged in an accusatory pleading with the commission of any sex offense for which registration of the convicted offender is required under Section 290 of the Penal Code and who has been committed to any state hospital or other state facility pursuant to Section 1026 or 1370 of the Penal Code.

As used in this section, "contact" does not include participation in supervised group therapy or other supervised treatment activities or participation in hospital recreational activities which are directly supervised by employees of the hospital so long as living arrangements are strictly segregated and all precautions are taken to prevent unauthorized associations.

SEC. 3. Section 705 of the Welfare and Institutions Code is amended to read:

705. Whenever the court, before or during the hearing on the petition, is of the opinion that the minor is mentally disordered or if the court is in doubt concerning the mental health of any such person, the court may proceed as provided in Section 6550 of this

code or Section 4011.6 of the Penal Code.

SEC. 4. Section 6552 is added to the Welfare and Institutions Code, tc read:

6552. A minor who has been declared to be within the jurisdiction of the juvenile court may, with the advice of counsel, make voluntary application for inpatient or outpatient mental health services in accordance with Section 5003. Notwithstanding the provisions of subdivision (b) of Section 6000, Section 6002, or Section 6004, the juvenile court may authorize the minor to make such application if it is satisfied from the evidence before it that the minor suffers from a mental disorder which may reasonably be expected to be cured or ameliorated by a course of treatment offered by the hospital, facility or program in which the minor wishes to be placed; and that there is no other available hospital, program, or facility which might better serve the minor's medical needs and best interest. The superintendent or person in charge of any state, county, or other hospital facility or program may then receive the minor as a voluntary patient. Applications and placements under this section shall be subject to the provisions and requirements of the Short-Doyle Act (Part 2 (commencing with Section 5600), Division 5), which are generally applicable to voluntary admissions.

If the minor is accepted as a voluntary patient, the juvenile court may issue an order to the minor and to the person in charge of the hospital, facility or program in which the minor is to be placed that should the minor leave or demand to leave the care or custody thereof prior to the time he is discharged by the superintendent or person in charge, he shall be returned forthwith to the juvenile court for a further dispositional hearing pursuant to the juvenile court law.

The provisions of this section shall continue to apply to the minor until the termination or expiration of the jurisdiction of the juvenile court.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The California Supreme Court has recently ruled that wards of the juvenile court may not be judicially committed to state hospitals except under the procedures of the Lanterman-Petris-Short Act. In order to authorize juvenile court wards to receive mental health services on a voluntary basis, it is necessary that this act take immediate effect.

CHAPTER 446

An act to add Section 4601.5 to the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Section 4601.5 is added to the Labor Code, to read:

4601.5. All fees and expenses of the employee, or the dependents of a deceased employee, incurred for X-rays, laboratory fees, medical reports, medical records, and medical testimony necessary to prove a contested claim, for which the employer is liable under the second paragraph of Section 4600, shall, upon receipt by the employer of all reports and documents required by the administrative director incident to such services, be paid to whom said funds and expenses are due, as follows:

(a) Except as provided in subdivision (b), within 60 days after receipt by the employer of each separate, written billing, and where payment is not made within such period, that portion of the billed sum then unpaid shall be increased by 10 percent, together with interest thereon at the rate of 7 percent per annum. Where the employer, within the 60-day period, contests the reasonableness and necessity for incurring such fees, services, and expenses, payment shall be made within 20 days of the filing of an order of the appeals board directing payment.

(b) Where requested by the employee, or the dependents of a deceased employee, within 20 days from the filing of an order of the appeals board directing payment, and where payment is not made within such period, that portion of the billed sum then unpaid shall be increased by 10 percent, together with interest thereon at the rate of 7 percent per annum retroactive to the date of the filing of the order of the board directing payment.

The employer shall notify, in writing, the provider of the services, the employee, or if represented, his attorney, if the employer contests the reasonableness and necessity of incurring such expenses, and shall indicate the reasons therefore.

The provisions of Sections 5800 and 5814 shall not apply to this section.

SEC. 2. This act shall become operative on the 91st day after it is signed by the Governor.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution. The facts constituting such necessity are:

Physicians providing services to injured employees under the

workers' compensation laws are often required to wait too long before receiving payment for those services. The effect of such delay is that many competent physicians are either unwilling or unable to provide the medical evaluations and care needed by injured workers in the State of California. In order for adequate health care to be provided for an injured worker at the earliest possible time, it is essential that this act be effective on the 91st day after the Governor affixes his signature hereto.

CHAPTER 447

An act to add Chapter 5.5 (commencing with Section 32350) to Division 23 of the Health and Safety Code, relating to hospitals, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1976. Filed with Secretary of State July 10, 1976.]

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

SECTION 1. Chapter 5.5 (commencing with Section 32350) is added to Division 23 of the Health and Safety Code, to read:

CHAPTER 5.5. STATE LOANS

32350. It is the intent of the Legislature in enacting this article to encourage physicians to practice in rural areas which have insufficient numbers of physicians to provide comprehensive medical care.

32351. In the event the Chowchilla Memorial Hospital District enters into a joint powers agreement with a hospital district or hospital districts, whereby an independent governmental agency, as provided in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, is created to investigate, defend, settle and pay, if required, medical injury tort claims against any of the parties to such joint powers agreement in accordance with the authority granted by Sections 990.4 and 990.8 of the Government Code, notwithstanding any provisions of the Insurance Code to the contrary; then, in that event, each hospital district with under 100 beds shall have the right for a period of five years from the effective date of this chapter, but subject to the availability of moneys appropriated therefor, to borrow from the state for the purpose of paying any medical injury tort judgment or settlement which exceeds three hundred thousand dollars ($300,000) to the extent of such excess.

However, the total amount of funds loaned by the state to all hospital districts, which have entered into the joint powers agreement pursuant to this chapter, shall not exceed one million

dollars ($1,000,000) in the aggregate.

32352. Loans made pursuant to this article shall be repaid to the state pursuant to a schedule mutually agreed upon by the state department and the hospital district receiving the loan, not exceeding 40 years, and at an interest rate not to exceed the five-year average of the return on the investment of state funds pursuant to Chapter 3 (commencing with Section 16430) of Part 2 of Division 4 of Title 2 of the Government Code. The state department shall grant all loans which qualify under the requirements of this chapter to the extent that funds are available therefor. No application for a loan shall be denied because previous applications have been made except that the state department may procure insurance to cover the losses, if any, in connection with such loans and the cost of such insurance may be charged to the independent agency. The cost charged to such an independent agency for the insurance shall not exceed 5 percent of the total of loan losses.

32353. The provisions of this section shall apply only to the Chowchilla Memorial Hospital District, and to any other hospital district with a bed capacity of less than 100 beds, which has entered into a joint powers agreement with the Chowchilla Memorial Hospital District. The Chowchilla Memorial Hospital District, or other district specified in this section, shall have the authority to employ physicians in the local community and such physicians, as employees of the district shall be covered for medical injury tort liability by the district.

32354. The program established by the Chowchilla Memorial Hospital District and others who enter such a joint powers agreement shall be deemed to be a pilot project to be used as a guide for the State Department of Health in establishing the Rural California Professional Liability Loan Program in the event Assembly Bill 2865 of the 1975–76 Regular Session is enacted, and in such case funds for loans under this chapter shall be made available from the Rural California Professional Liability Loan Fund upon creation by the State Controller.

32355. As a condition of eligibility for loans under this chapter, any hospital district having a licensed bed capacity of less than 100 beds and which participates in a joint powers agreement described in Section 32351 shall submit the following to the state department within 60 days after the effective date of this chapter:

(a) A health quality assurance program which assures adequate review of health services rendered;

(b) Adequate procedures for providing resources for liability coverage, including provisions for the payment of all medical injury tort claims or portions of claims under three hundred thousand dollars ($300,000), and for investment of funds or resources set aside for liability reserves; and

(c) Adequate procedures for obtaining legal services in connection with medical injury tort claims filed against the hospital district.

(d) Adequate procedures to repay loans under Government Code and Health and Safety Code sections relating to district hospitals.

32356. Any provisions applicable to the payment of tort claims against a hospital district shall be applicable for the repayment of any loan from the state to a hospital district pursuant to this chapter.

32357. Duplicate copies of any reports prepared pursuant to Article 9 (commencing with Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code by the joint powers entity specified in Section 32351 or any party thereto shall be submitted to the state department.

32358. The state department shall prepare and adopt regulations establishing the specific criteria to be used for the approval of a loan application of a district hospital under this chapter to ensure that the hospital district complies with the intent of the Legislature set forth in Section 32350.

Within 120 days after submission of an application by a hospital district for a loan under the provisions of this chapter, the state department shall submit its final recommendation to the Legislature with respect to the approval or disapproval of the loan in order to assist the Legislature in determining whether to appropriate funds for the making of the loan. The state department shall notify the hospital district submitting the application of its tentative decision to recommend approval or disapproval of the loan within 90 days after receiving the application in order to allow the hospital district to present additional data as may be necessary to justify the loan.

SEC. 2. The Legislature finds and declares in enacting this act that the Chowchilla Memorial Hospital District has a unique record with respect to medical injury tort claims filed against the district and that because of the unique situation presented, a plan which combines the resources of the district and health resources of the surrounding rural communities would be economically feasible with state loans available to assist in the payment of claims, if needed, without imposing any significant risk of loss on the state. The Legislature finds, in enacting this act, that a special statute is needed and that a general statute cannot be made applicable.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order for the Chowchilla Memorial Hospital District to continue operating and to provide needed health services to residents, it is necessary that this act take effect immediately.

CHAPTER 448

An act to amend Section 71812 of the Water Code, relating to municipal water districts.

[Became law without Governor's signature July 11, 1976. Filed with Secretary of State July 12, 1976.]

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

SECTION 1. Section 71812 of the Water Code is amended to read:

71812. A district may issue negotiable promissory notes pursuant to this section for the purpose of acquiring funds to finance the construction or acquisition of administrative offices, construction headquarters, commercial offices, or facilities for similar district purposes and for the acquisition of land for district purposes. The maturity of such promissory notes shall not be later than 10 years from the date thereof. The total aggregate amount of such notes outstanding at any one time may be at least equal to fifty thousand dollars ($50,000) in any district, but shall not exceed the lesser of either one million five hundred thousand dollars ($1,500,000) or 1 percent of the assessed valuation of the taxable property in the district, or, if the assessed valuation is not obtainable, 1 percent of the county auditor's estimate of the assessed valuation of the taxable property in the district evidenced by his certificate; provided, that no more than 50 percent of the increased borrowing capacity made available pursuant to the amendments made to this section at the 1975–76 Regular Session of the Legislature may be used for land acquisition purposes. Promissory notes issued pursuant to Section 71811 may be disregarded in computing the aggregate amount of notes that may be issued pursuant to this section.

CHAPTER 449

An act to amend Section 25910 of the Health and Safety Code, relating to asbestos, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 11, 1976 Filed with Secretary of State July 12, 1976]

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

SECTION 1. Section 25910 of the Health and Safety Code is amended to read:

25910. (a) Except as provided in subdivision (b), no person, on or after July 1, 1975, shall cause or permit the spraying of any substance containing more than one-half of 1 percent asbestos in or

upon a building or other structure during its construction, alteration, or repair. Except as provided in subdivision (b), no person, on or after July 1, 1976, shall cause or permit the spraying of any substance containing any amount of asbestos in or upon a building or other structure during its construction, alteration, or repair.

(b) Portland cement plaster containing less than one-half of 1 percent asbestos, and exterior and interior coatings and laminating resins containing encapsulated asbestos fibers bound within the finished product from manufacture through application, shall be exempt from the provisions of this chapter until July 1, 1978. Cold process cutback asphalt roof coatings shall be exempt from the provisions of this chapter.

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

In order that the changes made by this act may take effect prior to July 1, 1976, and at the earliest opportunity during the construction season, it is necessary that this act take immediate effect.

CHAPTER 450

An act to add Section 15452.3 to, and to add Article 9.5 (commencing with Section 1084) to Chapter 3 of Division 4 of, the Education Code, relating to school camps.

[Became law without Governor's signature July 11, 1976 Filed with Secretary of State July 12, 1976.]

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

SECTION 1. Article 9.5 (commencing with Section 1084) is added to Chapter 3 of Division 4 of the Education Code, to read:

Article 9.5. School Camps

1084. The governing board of any elementary, high, or unified school district may charge a fee for school camp programs, provided that payment of such fee is not mandatory. No pupil shall be denied the opportunity to participate in a school camp program because of nonpayment of the fee.

The amount of the fee may not exceed the difference between any state, local, or federal funds generated by such a program and the cost of the services actually provided.

For purposes of this section a school camp program is one which is operated pursuant to Article 6 (commencing with Section 6011) of Chapter 6 of Division 6.

SEC. 2. Section 15452.3 is added to the Education Code, to read:

15452.3. For the purposes of this article and Article 5 (commencing with Section 15501) of this chapter, "school building" does not include any building of a school district which is used solely for classes or programs in outdoor science, conservation, and forestry in accordance with Article 6 (commencing with Section 6011) of Chapter 6 of Division 6, and which does not occupy, in whole or in part, the same parcel of land upon which there is situated any school maintained by the district.

CHAPTER 451

An act to amend Section 893 of the Welfare and Institutions Code, relating to juveniles, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 11, 1976 Filed with Secretary of State July 12, 1976]

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

SECTION 1. Section 893 of the Welfare and Institutions Code is amended to read:

893. (a) The board of supervisors of any county with a population of five million or more may provide and maintain a pilot project school at a juvenile home, ranch or camp for the purpose of meeting the special educational needs of wards and dependent children of the juvenile court. Such pilot project school shall be conducted in such a manner and under such conditions as will minister to the specific individualized educational and training needs of each ward and dependent child in furtherance of the objective of assisting each of them, as much as possible, to fulfill his potential to be a contributing, law-abiding member of society. In the event the board of supervisors determines that such objective may be promoted as well as or better by provision of educational and training services by a qualified private organization, the board of supervisors on behalf of the county may enter into annual contracts, with or without options to renew, for the provision of such services by such an organization.

(b) The Legislature hereby finds and determines that there are persons whose educational and vocational backgrounds and personal leadership qualities peculiarly fit them to instruct and train wards of the court in promotion of the aforesaid objective, but who lack certification qualifications. Accordingly, the probation officer is hereby authorized to certify to the county board of education and the Superintendent of Public Instruction that a person employed or to be employed by the probation officer or by an organization retained by contract to provide vocational training or vocational training courses at or in connection with the pilot project school is

peculiarly fit to provide wards of the court such vocational training in promotion of the aforesaid objective. Such certification shall specify the type or types of service the person is qualified to provide. Upon filing of such certification, such person shall be deemed to be a certificated employee for purposes of authorizing him to provide the services described in the certificate and for apportionment purposes.

(c) The pilot project school shall have a maximum enrollment of 100 students.

(d) The county superintendent of schools shall report on behalf of the county the average daily attendance for the schools and classes maintained by the county in such pilot project school in the manner provided in Section 17601.1 of the Education Code and other provisions of law.

(e) The Superintendent of Public Instruction shall compute the amount of allowance to be made to the county by reason of the average daily attendance at such pilot project school by multiplying the average daily attendance by the foundation program amount for a high school district which has an average daily attendance of 301 or more during the fiscal year, and shall make allowances based thereon and shall apportion to the county, the allowances so computed in the same manner and at the same times as would be done with respect to allowances and apportionments to the county school service fund.

(f) The pilot project shall end on January 1, 1978, unless further authorized by the Legislature. The Legislative Analyst shall study the pilot project for the purpose of reporting to the Legislature on the effectiveness of the pilot project, which report shall be made to the Legislature on or before January 1, 1977.

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

A pilot project school of the type authorized by this act is presently being conducted under a contract with a qualified private organization. In order to continue the project without interruption, it is necessary that this act take effect immediately.

CHAPTER 452

An act to amend Section 35400 of the Vehicle Code, relating to vehicles.

[Became law without Governor's signature July 12, 1976 Filed with Secretary of State July 12, 1976]

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

SECTION 1. Section 35400 of the Vehicle Code, as amended by Chapter 7 of the Statutes of 1976, is amended to read:

35400. (a) No vehicle shall exceed a length of 40 feet.

(b) This section does not apply to:

(1) A vehicle used in a combination of vehicles when the excess length is caused by auxiliary parts, equipment, or machinery not used as space to carry any part of the load, except that the combination of vehicles shall not exceed the length provided for combination vehicles.

(2) A vehicle when the excess length is caused by any parts necessary to comply with the fender and mudguard regulations of this code.

(3) An articulated bus, except that such bus shall not exceed a length of 60 feet.

(4) An articulated trolley coach, except that such trolley coach shall not exceed a length of 50 feet.

(5) A semitrailer while being towed by a motortruck or truck tractor, if the distance from the kingpin to the rearmost axle of the semitrailer does not exceed 38 feet; provided, that the semitrailer does not, exclusive of attachments, extend forward of the rear of the cab of the motortruck or truck tractor.

(6) A bus when the excess length is caused by the projection of a front safety bumper or a rear safety bumper, or both. Such safety bumper shall not cause the length of the vehicle to exceed the maximum legal limit by more than one foot in the front and one foot in the rear. For the purposes of this chapter, "safety bumper" means any device which may be fitted on an existing bumper or which replaces the bumper and is so constructed, treated, or manufactured so that it absorbs energy upon impact.

(7) A bus when the excess length is caused by a device, located in front of the front axle, for lifting wheelchairs into the bus. Such a device shall not cause the length of the bus to be extended by more than 18 inches exclusive of any front safety bumper.

CHAPTER 453

An act to add Section 11093 to the Government Code, relating to statistical analyses.

[Became law without Governor's signature July 13, 1976 Filed with Secretary of State July 13, 1976.]

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

SECTION 1. Section 11093 is added to the Government Code, to read:

11093. (a) The Department of Finance, the State Department of Health, and the Department of Transportation, shall, in the

preparation and maintenance of any statistical analyses, by city, either by population, fiscal, or other bases, make a separate breakdown of the San Fernando Valley provided that the City of Los Angeles continue to provide all necessary data.

Any other state department which desires to do so may voluntarily supply statistical data for the San Fernando Valley statistical area.

The State Controller may, upon request therefor contained in a motion adopted by the City Council of the City of Los Angeles, designate additional statistical areas within the City of Los Angeles, except that such additional statistical areas shall in no event exceed three in number.

(c) For purposes of this section, the San Fernando Valley is all the portion of Los Angeles City which is described as follows:

From a point commencing where the City of Los Angeles most northerly boundary intersects with the Golden State Freeway and following on the city boundary in an easterly direction where such boundary first intersects with the boundary of the City of Burbank; thence continuing southeasterly along the Burbank City boundary to its intersection with Barham Boulevard; thence in a southerly direction on Barham Boulevard to its intersection with Cahuenga Boulevard; thence in a southeasterly direction on Cahuenga Boulevard to Mulholland Drive; thence along Mulholland Drive to the Los Angeles City boundary; thence following the Los Angeles City boundary west and northerly until such boundary intersects with the starting point at the Golden State Freeway.

(d) No department of state government shall be required, by this section, to prepare or maintain any statistical information except the following:

(1) Existing information now prepared or maintained by city, or

(2) Information, by city, which is voluntarily prepared or maintained by the department in the future, or

(3) Information, by city, which is required to be prepared or maintained by future changes in legislation.

This subsection (d) is included as a clarification of legislative intent.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because duties, obligations, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 454

An act to add Article 3 (commencing with Section 31680) to Chapter 1 of Part 7 of Division 12 of the Water Code, relating to Kings County Water District, making an appropriation therefor and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 14, 1976. Filed with Secretary of State July 14, 1976.]

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

SECTION 1. Article 3 (commencing with Section 31680) is added to Chapter 1 of Part 7 of Division 12 of the Water Code, to read:

Article 3. Taxation Within the Kings County Water District

31680. Within the Kings County Water District, the board may by ordinance provide for the establishment of special rates of taxation, for general fund purposes and for purposes of paying principal and interest upon general obligation bonds, for relatively low water using, nonfarm, heavy manufacturing industries located entirely within the district and upon which the district's regular rate of taxation may bear unfairly relative to benefits received from the district as compared to other taxpayers in the district. The provisions of Article 2 (commencing with Section 31665) of Chapter 1 of Part 7 of Division 12 of the Water Code shall apply herein, except for Sections 31665 and 31671.

SEC. 2. The provisions of this act are necessary because the present taxation method to support the Kings County Water District bears unfairly upon intensively improved, nonagricultural industrial plants which utilize little water. The Kings County Water District engages primarily in the importation of surface waters for irrigation and ground water replenishment and in the acquisition and management of water stock of mutual water companies. These activities of the district are designed to preserve and increase water availability for agriculture and agriculturally related services and industries. By reason of the high assessed valuation of heavy industrial plants and the equipment and inventory located upon such plant sites, and considering the remote relationship of certain of these industries to the activities of the district and to other taxpayers therein, the rates of taxation of the district may bear unfairly upon certain industries in relation to benefits received and it is necessary that the board be empowered to establish and implement procedures to set special rates of taxation where such rates are found to be necessary to adjust any inequities.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

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the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

There is an immediate need for tax relief for industrial water users in the Kings County Water District, and, in order to assure that this provision is available for the 1976–77 fiscal year and the tax levies made during such period, it is necessary that it go into immediate effect.

CHAPTER 455

An act making an appropriation for the costs of criminal trials.

[Became law without Governor's signature July 14, 1976. Filed with Secretary of State July 14, 1976.]

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

SECTION 1. Notwithstanding Section 2 of Chapter 1671 of the 1971 Statutes, the sum of two hundred twenty-five thousand dollars ($225,000) is hereby appropriated from the General Fund to the Director of Finance for allocation and disbursement to counties pursuant to Section 4700.2 of the Penal Code for costs incurred based upon indictments filed from October 6, 1972, to October 6, 1973, inclusive.

CHAPTER 456

An act to add and repeal Section 5645 of the Business and Professions Code, relating to irrigation consultants.

[Became law without Governor's signature July 14, 1976 Filed with Secretary of State July 14, 1976.]

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

SECTION 1. Section 5645 is added to the Business and Professions Code, to read:

5645. (a) Nothing contained in this chapter shall be deemed to prohibit a person from engaging in the practice of, or offering to practice as, an irrigation consultant.

(b) As used in this section, "irrigation consultant" means a person who performs professional services such as consultation, investigation, reconnaissance, research, design, preparation of drawings and specifications and responsible supervision, where the dominant purpose of such service is the design of landscape irrigation, in accordance with accepted professional standards of public health and safety.

SEC. 2. Section 1 of this act shall remain in effect only until January 1, 1979, and on that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1979, deletes or extends such date.

SEC. 3. It is the intent of the Legislature that a thorough study be made on the subject of this act, and a report be made to the Legislature within one year of the effective date of this act.

CHAPTER 457

An act to add Section 23426.5 to the Business and Professions Code, relating to club licenses.

[Became law without Governor's signature July 15, 1976. Filed with Secretary of State July 15, 1976.]

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

SECTION 1. Section 23426.5 is added to the Business and Professions Code, to read:

23426.5. For purposes of this article, "club" also means any tennis club which maintains not less than four regulation tennis courts, together with the necessary facilities and clubhouse, and which has 90 members or more paying regular monthly dues and which has been in existence for not less than 45 years and is not associated with a real estate development as defined in Section 11003.1 of this code, a community apartment project as defined in Section 11004 of this code, a project consisting of condominiums as defined in Section 783 of the Civil Code or a mobilehome park as defined in Section 18214 of the Health and Safety Code.

It shall be unlawful for any club licensed pursuant to this section to make any discrimination, distinction, or restriction against any person on account of such person's color, race, religion, ancestry, national origin, sex, or age.

CHAPTER 458

An act to amend Section 5681 of the Business and Professions Code, relating to landscape architects, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 15, 1976 Filed with Secretary of State July 15, 1976.]

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

SECTION 1. Section 5681 of the Business and Professions Code is amended to read:

5681. The amount of fees prescribed by this chapter is that fixed by the following schedule:

(a) The application fee for examination shall be fixed by the board in such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed seventy-five dollars ($75).

(b) The fee for an original certificate is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued, except that, if the certificate is issued less than one year before the date on which it will expire, then the fee is an amount equal to 50 percent of the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued. The board may, by appropriate regulation, provide for the waiver or refund of the initial certificate fee where the certificate is issued less than 45 days before the date on which it will expire.

(c) The fee for a temporary certificate is twenty-five dollars ($25).

(d) The fee for a duplicate certificate is five dollars ($5).

(e) The renewal fee shall be fixed by the board in such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed seventy-five dollars ($75).

(f) The penalty for failure to notify the board of a change of address is five dollars ($5).

(g) The delinquency fee is ten dollars ($10).

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

The Board of Landscape Architects needs funds as soon as possible in order to continue operations. It is therefore necessary that this act take effect immediately.

CHAPTER 459

An act to add Section 2263.4 to the Revenue and Taxation Code, relating to property taxation, and making an appropriation therefor.

[Became law without Governor's signature July 15, 1976. Filed with Secretary of State July 15, 1976]

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

SECTION 1. Section 2263.4 is added to the Revenue and Taxation Code, to read:

2263.4. Notwithstanding paragraph (2) of Section 2263, the maximum property tax rate which may be levied by, or on behalf of, a harbor district shall be the greater of three cents ($0.03) per one hundred dollars ($100) of assessed valuation or the rate levied by, or on behalf of, the district for either the 1971–1972 or the 1972–1973 fiscal year, at the option of the governing body of the district. If a district operates on a calendar year, the maximum rate which may be levied pursuant to this subdivision shall be the greater of three cents ($0.03) per one hundred dollars ($100) of assessed valuation or that levied in either calendar 1972 or calendar 1973, at the option of the governing body of the district.

In addition, if the voters of a district, pursuant to provisions of the enabling statute under which the district is organized, have authorized an additional rate, such augmented rate shall be the maximum property tax rate.

CHAPTER 460

An act to add Section 23428.6 to the Business and Professions Code, relating to alcoholic beverages.

[Became law without Governor's signature July 15, 1976 Filed with Secretary of State July 15, 1976.]

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

SECTION 1. Section 23428.6 is added to the Business and Professions Code, to read:

23428.6. For the purposes of this article, "club" also means any association of livestock, or livestock-allied businessmen, joined together as a nonprofit corporation, registered as such in the State of California. The organization of the group shall be for the sole purpose of social activity.

Such a group shall have been in existence more than three years and have a membership of not less than 225 dues-paying members, and shall own, lease, or maintain a clubroom or rooms for its membership. Such a club may sell and serve alcoholic beverages only to its bona fide members and their bona fide guests.

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CHAPTER 461

An act to add Section 2280 to the Revenue and Taxation Code, relating to property taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature July 15, 1976. Filed with Secretary of State July 15, 1976.]

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

SECTION 1. Section 2280 is added to the Revenue and Taxation Code, to read:

2280. A special district may levy, or have levied on its behalf, a rate in addition to the maximum property tax rate established pursuant to this chapter in order to pay the extraordinary costs of purchasing electricity for use for street lighting which was in operating condition in the 1972–73 fiscal year. This section shall apply only to special districts that were in existence on January 1, 1976, and which have as their sole and exclusive purpose the provision of street lighting services. Such additional rate shall be determined in the following manner:

(1) The special district shall determine the actual cost of electricity used for street lighting purposes during the 1972–73 fiscal year.

(2) The special district shall then determine the property tax rate which, applied to such district's assessed valuation in the 1972–73 fiscal year, would have produced an amount of revenue equivalent to the costs determined pursuant to subdivision (1).

(3) Annually, the special district shall determine whether the property tax rate determined pursuant to subdivision (2) would be increased if such rate were adjusted as provided in Section 2266. If such property tax rate would be increased, it shall be adjusted in the manner provided in Section 2266.

(4) The property tax rate determined pursuant to subdivision (2), as such rate may have been adjusted pursuant to subdivision (3), shall then be applied to the district's assessed valuation for the current fiscal year. The resulting amount shall represent the cost of electricity for street lighting purposes which shall be funded, during the current fiscal year, out of such district's maximum property tax rate.

(5) The amount determined pursuant to subdivision (4) shall be subtracted from the actual cost to the district for the current fiscal year of electricity for street lighting which was in operating condition in the 1972–73 fiscal year. The amount resulting from such subtraction shall represent such district's extraordinary cost of purchasing electricity for street lighting purposes and the special district may levy such additional property tax rate as may be necessary to produce an amount of revenue equivalent to such

extraordinary costs. If the amount resulting from such subtraction is a negative amount, the special district shall reduce its property tax rate as may be necessary to produce an amount of revenue which, when deducted from the actual cost to the district for the current fiscal year of electricity for street lighting, will not result in a negative balance.

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

In order that this act may be applicable with respect to property tax rates for the 1976–77 fiscal year, thereby enabling special districts to continue existing street lighting for public safety, it is necessary that this act take effect immediately.

CHAPTER 462

An act to add Chapter 7 (commencing with Section 5810) to Division 5 of the Public Resources Code, relating to wetlands and wildlife management, and making an appropriation therefor, and in this connection to amend and supplement the Budget Act of 1975 (Chapter 176, Statutes of 1975) by adding Section 2.8L thereto.

[Approved by Governor August 16, 1976. Filed with Secretary of State August 16, 1976.]

I am reducing the appropriation contained in Section 2 of Assembly Bill No 2133 from $2,815,000 to $2,695,000 by deleting the $120,000 appropriation to the Department of Parks and Recreation for a wetlands study

The proposed study would largely duplicate a 1974 study prepared by the Department of Fish and Game in conjunction with the U.S Bureau of Sport Fisheries and Wildlife If additional research is required, it can be done within the existing resources of the affected departments

With this reduction, I approve Assembly Bill No 2133

EDMUND G BROWN JR , Governor

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

SECTION 1. Chapter 7 (commencing with Section 5810) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 7. WETLANDS PRESERVATION

5810. This chapter shall be known and may be cited as the Keene-Nejedly California Wetlands Preservation Act.

5811. The Legislature hereby finds and declares that the remaining wetlands of this state are of increasingly critical economic, aesthetic, and scientific value to the people of California, and that there is need for an affirmative and sustained public policy and program directed at their preservation, restoration, and

enhancement, in order that such wetlands shall continue in perpetuity to meet the needs of the people.

5812. As used in this chapter, unless the context clearly requires a different meaning:

(a) "Wetlands" means streams, channels, lakes, reservoirs, bays, estuaries, lagoons, marshes, and the lands underlying and adjoining such waters, whether permanently or intermittently submerged, to the extent that such waters and lands support and contain significant fish, wildlife, recreational, aesthetic, or scientific resources.

(b) "Departments" means the Department of Parks and Recreation and the Department of Fish and Game.

5813. Either of the departments may acquire interests in real property less than the fee, including, but not limited to, acquisition of development rights, when it determines that acquisition of such lesser interest will accomplish the purposes of this chapter in furthering the public's interest in the protection, preservation, restoration, and enhancement of wetlands.

5814. The departments shall cooperatively conduct a joint study to identify those wetlands of the state which are subject to irreversible modification and which, by their nature, should be acquired and protected and preserved in perpetuity. The departments shall consult and cooperate with cities and counties in the conduct of such study. The departments shall specifically cooperate with the State Lands Commission so as to determine the extent to which the state may have a valid ownership interest in those wetlands identified in the study as meriting protection and those wetlands authorized for acquisition pursuant to this chapter. The study shall be submitted to the Legislature not later than January 15, 1978, and shall set forth, for consideration by the Legislature, a plan for the acquisition, protection, preservation, restoration, and enhancement of wetlands, including funding requirements and the priority status of specific proposed wetlands projects.

5815. The departments, in preparing the wetlands priority plan and program pursuant to Section 5814, shall give particular recognition to the conservation, recreation, and open-space plans and programs of local agencies, and shall, wherever feasible and appropriate, identify and devise cooperative means for planning and for the protection and preservation of wetlands by local agencies.

5816. The departments shall give particular recognition to opportunities for protecting and preserving wetlands lying within, or adjacent to, existing units of the state park system, and consider state park acquisition projects and the acquisition of areas in proximity to state park system units which lend themselves to feasible wetlands management and protection and preservation, without creating inordinate additional management cost burdens.

5817. Either of the departments may enter into operating agreements with cities, counties, and districts for the management and control of wetlands, or interests in wetlands, acquired pursuant

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to this chapter; provided, however, that any such agreement shall ensure the protection and preservation of the wetlands, and ensure the right to the use and enjoyment of such wetlands by the people of the state; and provided, further, that any such agreement entered into by the Department of Fish and Game pursuant to this section shall provide as well that public use of lands and waters subject to such agreement shall be in accordance with regulations established by the Fish and Game Commission.

5818. All acquisitions made pursuant to this chapter shall be subject to the Property Acquisition Law (Part 11 (commencing with Section 15850), Division 3, Title 2 of the Government Code).

SEC. 2. There is hereby appropriated from the Collier Park Preservation Fund to the Department of Parks and Recreation and the Department of Fish and Game, notwithstanding the provisions of Section 5010 of the Public Resources Code, the sum of two million eight hundred fifteen thousand dollars ($2,815,000) for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years in accordance with the following schedule:

Schedule:

Department of Parks and Recreation, wetlands study, including costs of the Department of Fish and Game associated therewith	120,000
Department of Parks and Recreation, planning and acquisition of wetlands projects, including costs of acquisition, for the following projects:	2,695,000

(a) Hunters Lagoon, Manchester State Beach.
(b) Gualala River Marsh.
(c) Stone Lake project, Sacramento County.
(d) Madrona Marsh, Los Angeles County.
(e) San Elijo Lagoon, San Diego County.

provided, that none of the funds which are appropriated by this item for the projects set forth herein shall be expended on the purchase price of any real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.

SEC. 3. Section 2.8L is added to the Budget Act of 1975 (Chapter 176, Statutes of 1975), to read:

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

Sec. 2.8L. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years. Such appropriations shall be paid out of the State Beach, Park, Recreational, and Historical Facilities Fund of 1974.

CAPITAL OUTLAY

Resources

387.6L. For capital outlay, Wildlife Conservation Board and Department of Fish and Game, for the planning and acquisition of the following wetlands projects, including costs of acquisition, for purposes set forth in subdivision (d) of Section 5096.85 of the Public Resources Code, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 2,885,000

Schedule:

(a) Lakes Earl and Talawa, Del Norte State Seashore project.
(b) Ten Mile River estuary.
(c) Napa River marshes.
(d) Elkhorn Slough project, Monterey County.
(e) Batiquitos Lagoon, San Diego County.

provided, that upon the receipt of any reimbursements applicable to any of the projects in this item from federal land and water conservation funds, such reimbursements shall be credited to this item; and provided, further, that none of the funds which are appropriated by this item for the projects set forth herein shall be expended on the purchase price of any real property until the State Public Works Board, with respect to acquisitions made pursuant to the Property Acquisition Law (commencing with Section 15850 of the Government Code), or the Wildlife Conservation Board, with respect to acquisitions not made pursuant to such law, has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.

CHAPTER 463

An act to amend Sections 1238, 1257, 1261, 1262, and 1263 of, and to repeal Section 1239 of, the Civil Code, relating to homestead.

[Approved by Governor August 16, 1976. Filed with Secretary of State August 16, 1976.]

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

SECTION 1. Section 1238 of the Civil Code is amended to read:

1238. If the claimant be married, the homestead may be selected:

(a) From the community property; or

(b) From the quasi-community property; or

(c) From the property held by the spouses as tenants in common or in joint tenancy or from the separate property of the husband or the wife.

When the claimant is not married, but is the head of a family, within the meaning of Section 1261, the homestead may be selected from any of his or her property. If the claimant be an unmarried person, other than the head of a family, the homestead may be selected from any of his or her property. Property within the meaning of this title, includes any freehold title, interest, or estate which vests in the claimant the immediate right of possession, even though such a right of possession is not exclusive, and includes land held under long-term lease, as specified in Section 1237, and ownership rights in a condominium, planned development, stock cooperative, or community apartment project even though the title, interest, or estate of the condominium, planned development, stock cooperative, or community apartment project is in a leasehold or subleasehold.

SEC. 2. Section 1239 of the Civil Code is repealed.

SEC. 3. Section 1257 of the Civil Code is amended to read:

1257. The money paid to the claimant is entitled, for the period of six months thereafter, to the same protection against legal process and the voluntary disposition of the husband or wife, which the law gives to the homestead.

SEC. 4. Section 1261 of the Civil Code is amended to read:

1261. The phrase "head of a family," as used in this title, includes within its meaning:

1. The husband or wife, when the claimant is a married person.

2. Every person who has residing on the premises with him or her, and under his or her care and maintenance, either:

(a) His or her minor child, or minor grandchild, or the minor child of his or her deceased wife or husband;

(b) A minor brother or sister, or the minor child of a deceased brother or sister;

(c) A father, mother, grandfather, or grandmother;

(d) The father, mother, grandfather, or grandmother of a

deceased husband or wife;

(e) An unmarried sister or brother, or any other of the relatives mentioned in this section, who have attained the age of majority, and are unable to take care of or support themselves.

SEC. 5. Section 1262 of the Civil Code is amended to read:

1262. In order to select a homestead, either spouse or head of a family must execute and acknowledge, in the same manner as a grant of real property is acknowledged, a declaration of homestead, and file the same for record.

SEC. 6. Section 1263 of the Civil Code is amended to read:

1263. The declaration of homestead must contain:

1. A statement showing that the person making it is the head of a family, and if the claimant is married, the name of the spouse; or, when the declaration is made by a married person without the joinder of his or her spouse in the execution and acknowledgment of the declaration, showing that the other spouse has not made such declaration and that he or she therefore makes the declaration for their joint benefit;

2. A statement that the person making it is residing on the premises, and claims them as a homestead;

3. A description of the premises;

4. Such declaration of homestead may further contain a statement of the character of the property sought to be homesteaded, showing the improvement or improvements which have been affixed thereto, with sufficient detail to show that it is a proper subject of homestead, and that no former declaration has been made, or, if made, that it has been abandoned and if it contains such further statement and the declaration is supported by the affidavit of the declarant, annexed thereto, that the matters therein stated are true of his or her own knowledge, such declaration, when properly recorded, shall be prima facie evidence of the facts therein stated, and conclusive evidence thereof in favor of a purchaser or encumbrancer in good faith and for a valuable consideration.

The declaration of a homestead shall not affect the property rights of spouses as between themselves other than as provided by this title.

CHAPTER 464

An act to amend Section 27202 of the Vehicle Code, relating to vehicles.

[Became law without Governor's signature August 18, 1976.
Filed with Secretary of State August 18, 1976]

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

SECTION 1. Section 27202 of the Vehicle Code is amended to read:

27202. For the purposes of Section 27200, the following noise limits shall apply to any motorcycle, other than a motor-driven cycle, manufactured:

(1) After 1969, and before 1973	88 dbA
(2) After 1972, and before 1975	86 dbA
(3) After 1974, and before 1981	83 dbA
(4) After 1980 and before 1986	80 dbA
(5) After 1985 and before 1990	75 dbA
(6) After 1989	70 dbA

CHAPTER 465

An act to add Chapter 9.7 (commencing with Section 3300) to Division 4 of Title 1 of the Government Code, relating to public safety officers.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 18, 1976.]

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

SECTION 1. Chapter 9.7 (commencing with Section 3300) is added to Division 4 of Title 1 of the Government Code, to read:

CHAPTER 9.7. PUBLIC SAFETY OFFICERS

3300. This chapter is known and may be cited as the Public Safety Officers Procedural Bill of Rights Act.

3301. For purposes of this chapter, the term public safety officer means all peace officers, as defined in Section 830.1 and subdivisions (a) and (b) of Section 830.2 of the Penal Code, including peace officers who are employees of a charter city or county. The Legislature hereby finds and declares that the rights and protections provided to peace officers under this chapter constitute a matter of statewide concern. The Legislature further finds and declares that effective law enforcement depends upon the maintenance of stable employer-employee relations, between public safety employees and their employers. In order to assure that such stable relations are continued throughout the state and to further assure that effective services are provided to all people of the state, it is necessary that this chapter be applicable to all public safety officers, as defined in this section, wherever situated within the State of California.

3302. Except as otherwise provided by law, or whenever on duty or in uniform, no public safety officer shall be prohibited from engaging, or be coerced or required to engage, in political activity.

3303. When any public safety officer is under investigation and

subjected to interrogation by his commanding officer, or any other member of the employing public safety department, which could lead to punitive action, such interrogation shall be conducted under the following conditions. For the purpose of this chapter, punitive action is defined as any action which may lead to dismissal, demotion, suspension, reduction in salary, written reprimand, or transfer for purposes of punishment.

(a) The interrogation shall be conducted at a reasonable hour, preferably at a time when the public safety officer is on duty, or during the normal waking hours for the public safety officer, unless the seriousness of the investigation requires otherwise. If such interrogation does occur during off-duty time of the public safety officer being interrogated, the public safety officer shall be compensated for such off-duty time in accordance with regular department procedures, and the public safety officer shall not be released from employment for any work missed.

(b) The public safety officer under investigation shall be informed prior to such interrogation of the rank, name and command of the officer in charge of the interrogation, the interrogating officers, and all other persons to be present during the interrogation. All questions directed to the public safety officer under interrogation shall be asked by and through no more than two interrogators at one time.

(c) The public safety officer under investigation shall be informed of the nature of the investigation prior to any interrogation.

(d) The interrogating session shall be for a reasonable period taking into consideration gravity and complexity of the issue being investigated. The person under interrogation shall be allowed to attend to his own personal physical necessities.

(e) The public safety officer under interrogation shall not be subjected to offensive language or threatened with punitive action, except that an officer refusing to respond to questions or submit to interrogations shall be informed that failure to answer questions directly related to the investigation or interrogation may result in punitive action. No promise of reward shall be made as an inducement to answering any question. The employer shall not cause the public safety officer under interrogation to be subjected to visits by the press or news media without his express consent nor shall his home address or photograph be given to the press or news media without his express consent.

(f) The complete interrogation of a public safety officer may be recorded. If a tape recording is made of the interrogation, the public safety officer shall have access to the tape if any further proceedings are contemplated or prior to any further interrogation at a subsequent time. The public safety officer shall be entitled to a transcribed copy of any notes made by a stenographer or to any reports or complaints made by investigators or other persons, except those which are deemed by the investigating agency to be confidential. No notes or reports which are deemed to be confidential may be entered in the officer's personnel file. The public

safety officer being interrogated shall have the right to bring his own recording device and record any and all aspects of the interrogation.

(g) If prior to or during the interrogation of a public safety officer it is deemed that he may be charged with a criminal offense, he shall be immediately informed of his constitutional rights.

(h) Upon the filing of a formal written statement of charges, or whenever an interrogation focuses on matters which are likely to result in punitive action against any public safety officer, that officer, at his request, shall have the right to be represented by a representative of his choice who may be present at all times during such interrogation. The representative shall not be a person subject to the same investigation.

This section shall not apply to any interrogation of a public safety officer in the normal course of duty, counseling, instruction, or informal verbal admonishment by, or other routine or unplanned contact with, a supervisor or any other public safety officer, nor shall this section apply to an investigation concerned solely and directly with alleged criminal activities.

(i) No public safety officer shall be loaned or temporarily reassigned to a location or duty assignment if a sworn member of his department would not normally be sent to that location or would not normally be given that duty assignment under similar circumstances.

3304. (a) No public safety officer shall be subjected to punitive action, or denied promotion, or be threatened with any such treatment, because of the lawful exercise of the rights granted under this chapter, or the exercise of any rights under any existing administrative grievance procedure.

Nothing in this section shall preclude a head of an agency from ordering a public safety officer to cooperate with other agencies involved in criminal investigations. If an officer fails to comply with such an order, the agency may officially charge him with insubordination.

(b) No punitive action, nor denial of promotion on grounds other than merit, shall be undertaken by any public agency without providing the public safety officer with an opportunity for administrative appeal.

3305. No public safety officer shall have any comment adverse to his interest entered in his personnel file, or any other file used for any personnel purposes by his employer, without the public safety officer having first read and signed the instrument containing the adverse comment indicating he is aware of such comment, except that such entry may be made if after reading such instrument the public safety officer refuses to sign it. Should a public safety officer refuse to sign, that fact shall be noted on that document, and signed or initialed by such officer.

3306. A public safety officer shall have 30 days within which to file a written response to any adverse comment entered in his personnel file. Such written response shall be attached to, and shall accompany, the adverse comment.

3307. No public safety officer shall be compelled to submit to a polygraph examination against his will. No disciplinary action or other recrimination shall be taken against a public safety officer refusing to submit to a polygraph examination, nor shall any comment be entered anywhere in the investigator's notes or anywhere else that the public safety officer refused to take a polygraph examination, nor shall any testimony or evidence be admissible at a subsequent hearing, trial, or proceeding, judicial or administrative, to the effect that the public safety officer refused to take a polygraph examination.

3308. No public safety officer shall be required or requested for purposes of job assignment or other personnel action to disclose any item of his property, income, assets, source of income, debts or personal or domestic expenditures (including those of any member of his family or household) unless such information is obtained or required under state law or proper legal procedure, tends to indicate a conflict of interest with respect to the performance of his official duties, or is necessary for the employing agency to ascertain the desirability of assigning the public safety officer to a specialized unit in which there is a strong possibility that bribes or other improper inducements may be offered.

3309. No public safety officer shall have his locker, or other space for storage that may be assigned to him searched except in his presence, or with his consent, or unless a valid search warrant has been obtained or where he has been notified that a search will be conducted. This section shall apply only to lockers or other space for storage that are owned or leased by the employing agency.

3310. Any public agency which has adopted, through action of its governing body or its official designee, any procedure which at a minimum provides to peace officers the same rights or protections as provided pursuant to this chapter shall not be subject to this chapter with regard to such a procedure.

3311. Nothing in this chapter shall in any way be construed to limit the use of any public safety agency or any public safety officer in the fulfilling of mutual aid agreements with other jurisdictions or agencies, nor shall this chapter be construed in any way to limit any jurisdictional or interagency cooperation under any circumstances where such activity is deed necessary or desirable by the jurisdictions or the agencies involved.

SEC. 2. There are no local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no duties, obligations or responsibilities imposed on local entities in the 1975–76 fiscal year by this act. However there are state-mandated local costs in this act in the 1976–77 fiscal year and subsequent years that require reimbursement under Section 2231 of the Revenue and Taxation Code which can be handled in the regular budget process.

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CHAPTER 466

An act to amend Sections 3212, 3212.2, 3212.3, 3212.4, 3212.5, 3212.6, 3212.7, and 3213 of, and to add Section 4458 to, the Labor Code, relating to workers' compensation.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 18, 1976.]

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

SECTION 1. Section 3212 of the Labor Code is amended to read:

3212. In the case of members of a sheriff's office, district attorney's staff of inspectors and investigators or of police or fire departments of cities, counties, cities and counties, districts or other public or municipal corporations or political subdivisions, whether such members are volunteer, partly paid, or fully paid, and in the case of active firefighting members of the Division of Forestry of the State Department of Natural Resources whose duties require firefighting or of any county forestry or firefighting department or unit, whether voluntary, fully paid, or partly paid, and in the case of members of the warden service of the Wildlife Protection Branch of the Department of Fish and Game whose principal duties consist of active law enforcement service, excepting those whose principal duties are clerical or otherwise do not clearly fall within the scope of active law enforcement service such as stenographer, telephone operators, and other officeworkers, the term "injury" as used in this act includes hernia when any part of the hernia develops or manifests itself during a period while such member is in the service in such office, staff, division, department or unit, and in the case of members of such fire departments, except those whose principal duties are clerical, such as stenographers, telephone operators and other officeworkers, and in the case of county forestry or firefighting departments, except those whose principal duties are clerical, such as stenographers, telephone operators and other officeworkers, and in the case of active firefighting members of the Division of Forestry whose duties require firefighting, and in the case of members of the warden service of the Wildlife Protection Branch of the Department of Fish and Game whose principal duties consist of active law enforcement service, excepting those whose principal duties are clerical or otherwise do not clearly fall within the scope of active law enforcement service such as stenographer, telephone operators, and other officeworkers, the term "injury" includes pneumonia and heart trouble which develops or manifests itself during a period while such member is in the service of such office, staff, department or unit. In the case of regular salaried county or city and county peace officers, the term "injury" also includes any hernia which manifests itself or develops during a period while the officer is in the service. The compensation which is awarded for such hernia, heart

trouble or pneumonia, shall include full hospital, surgical, medical treatment, disability indemnity, and death benefits, as provided by the workers' compensation laws of this state.

Such hernia, heart trouble or pneumonia so developing or manifesting itself in such cases shall be presumed to arise out of and in the course of the employment. This presumption is disputable and may be controverted by other evidence, but unless so controverted, the appeals board is bound to find in accordance with it. Such presumption shall be extended to a member following termination of service for a period of three calendar months for each full year of the requisite service, but not to exceed 60 months in any circumstance, commencing with the last date actually worked in the specified capacity.

Such hernia, heart trouble or pneumonia so developing or manifesting itself in such cases shall in no case be attributed to any disease existing prior to such development or manifestation.

SEC. 2. Section 3212.2 of the Labor Code is amended to read:

3212.2. In the case of officers and employees in the Department of Corrections having custodial duties, each officer and employee in the Department of Youth Authority having group supervisory duties, and each security officer employed at the Atascadero State Hospital, the term "injury" includes heart trouble which develops or manifests itself during a period while such officer or employee is in the service of such department or hospital.

The compensation which is awarded for such heart trouble shall include full hospital, surgical, medical treatment, disability indemnity, and death benefits, as provided by the workmen's compensation laws of this state.

Such heart trouble so developing or manifesting itself in such cases shall be presumed to arise out of and in the course of the employment. This presumption is disputable and may be controverted by other evidence, but unless so controverted, the appeals board is bound to find in accordance with it. This presumption shall be extended to a member following termination of service for a period of three calendar months for each full year of the requisite service, but not to exceed 60 months in any circumstance, commencing with the last date actually worked in the specified capacity.

SEC. 3. Section 3212.3 of the Labor Code is amended to read:

3212.3. In the case of a member of the California State Police who has graduated from an academy certified by the Commission on Peace Officer Standards and Training, when any such member is employed upon a regular, full-time salary, the term "injury", as used in this division, includes heart trouble and pneumonia which develops or manifests itself during a period while such member is in the service of the California State Police. The compensation which is awarded for such heart trouble or pneumonia shall include full hospital, surgical, medical treatment, disability indemnity, and death benefits as provided by the provisions of this division.

Such heart trouble or pneumonia so developing or manifesting itself shall be presumed to arise out of and in the course of the employment. However, the member of the California State Police shall have served five years or more in such capacity before the presumption shall arise as to the compensability of heart trouble so developing or manifesting itself. This presumption is disputable and may be controverted by other evidence, but unless so controverted, the appeals board is bound to find in accordance with it. This presumption shall be extended to a member following termination of service for a period of three calendar months for each full year of the requisite service, but not to exceed 60 months in any circumstance, commencing with the last date actually worked in the specified capacity.

Such heart trouble or pneumonia so developing or manifesting itself in such cases shall in no case be attributed to any disease existing prior to such development or manifestation.

The term "members" as used herein shall be limited to those employees of the California State Police who are defined as peace officers in Section 830.2 of the Penal Code.

SEC. 4. Section 3212.4 of the Labor Code is amended to read:

3212.4. In the case of a member of a University of California fire department located at a campus or other facility administered by the Regents of University of California, when any such member is employed by such a department upon a regular, full-time salary, on a nonprobationary basis, the term "injury" as used in this division includes heart trouble, hernia, or pneumonia which develops or manifests itself during a period while such member is in the service of such a University of California fire department. The compensation which is awarded for such heart trouble, hernia, or pneumonia shall include full hospital, surgical, medical treatment, disability indemnity, and death benefits as provided by the provisions of this division.

Such heart trouble, hernia, or pneumonia so developing or manifesting itself shall be presumed to arise out of and in the course of the employment. This presumption is disputable and may be controverted by other evidence, but unless so controverted, the appeals board is bound to find in accordance with it. This presumption shall be extended to a member following termination of service for a period of three calendar months for each full year of the requisite service, but not to exceed 60 months in any circumstance, commencing with the last date actually worked in the specified capacity.

Such heart trouble, hernia, or pneumonia so developing or manifesting itself in such cases shall in no case be attributed to any disease existing prior to such development or manifestation.

The term "member" as used herein shall exclude those employees of a University of California fire department whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall

within the scope of active firefighting and prevention service.

SEC. 5. Section 3212.5 of the Labor Code is amended to read:

3212.5. In the case of a member of a police department of a city or municipality, or a member of the State Highway Patrol, when any such member is employed upon a regular, full-time salary, and in the case of a sheriff or deputy sheriff, or an inspector or investigator in a district attorney's office of any county, employed upon a regular, full-time salary, the term "injury" as used in this division includes heart trouble and pneumonia which develops or manifests itself during a period while such member, sheriff, or deputy sheriff, inspector or investigator is in the service of the police department, the State Highway Patrol, the sheriff's office or the district attorney's office, as the case may be. The compensation which is awarded for such heart trouble or pneumonia shall include full hospital, surgical, medical treatment, disability indemnity, and death benefits as provided by the provisions of this division.

Such heart trouble or pneumonia so developing or manifesting itself shall be presumed to arise out of and in the course of the employment; provided, however, that the member of the police department, State Highway Patrol, the sheriff or deputy sheriff, or an inspector or investigator in a district attorney's office of any county shall have served five years or more in such capacity before the presumption shall arise as to the compensability of heart trouble so developing or manifesting itself. This presumption is disputable and may be controverted by other evidence, but unless so controverted, the appeals board is bound to find in accordance with it. This presumption shall be extended to a member following termination of service for a period of three calendar months for each full year of the requisite service, but not to exceed 60 months in any circumstance, commencing with the last date actually worked in the specified capacity.

Such heart trouble or pneumonia so developing or manifesting itself in such cases shall in no case be attributed to any disease existing prior to such development or manifestation.

The term "members" as used herein shall be limited to those employees of police departments, the California Highway Patrol and sheriffs' departments and inspectors and investigators of a district attorney's office who are defined as peace officers in Section 830.1, 830.2, or 830.3 of the Penal Code.

SEC. 6. Section 3212.6 of the Labor Code is amended to read:

3212.6. In the case of a member of a police department of a city or county, or a member of the sheriff's office of a county, or an inspector or investigator in a district attorney's office of any county, when any such member is employed upon a regular, full-time salary, whose principal duties consist of active law enforcement service, excepting those whose principal duties are clerical or otherwise do not clearly fall within the scope of active law enforcement service such as stenographers, telephone operators, and other officeworkers, the term "injury" includes tuberculosis which develops or manifests

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itself during a period while such member is in the service of such department or office. The compensation which is awarded for such tuberculosis shall include full hospital, surgical, medical treatment, disability indemnity, and death benefits as provided by the provisions of this division.

Such tuberculosis so developing or manifesting itself shall be presumed to arise out of and in the course of the employment. This presumption is disputable and may be controverted by other evidence, but unless so controverted, the appeals board is bound to find in accordance with it. This presumption shall be extended to a member following termination of service for a period of three calendar months for each full year of the requisite service, but not to exceed 60 months in any circumstance, commencing with the last date actually worked in the specified capacity.

SEC. 7. Section 3212.7 of the Labor Code is amended to read:

3212.7. In the case of an employee in the Department of Justice falling within the "state safety" class, when any such individual is employed under civil service upon a regular, full-time salary, the term "injury," as used in this division, includes heart trouble or hernia or pneumonia or tuberculosis which develops or manifests itself during the period while such individual is in the service of the Department of Justice. The compensation which is awarded for any such injury shall include full hospital, surgical, medical treatment, disability indemnity, and death benefits as provided by the provisions of this division.

Such heart trouble, hernia, pneumonia, or tuberculosis so developing or manifesting itself shall be presumed to arise out of and in the course of the employment. This presumption is disputable and may be controverted by other evidence but unless so controverted, the appeals board is bound to find in accordance with it. This presumption shall be extended to a member following termination of service for a period of three calendar months for each full year of the requisite service, but not to exceed 60 months in any circumstance, commencing with the last date actually worked in the specified capacity.

Such heart trouble, hernia, pneumonia, or tuberculosis developing or manifesting itself in such cases shall in no case be attributed to any disease existing prior to such development or manifestation.

SEC. 8. Section 3213 of the Labor Code is amended to read:

3213. In the case of a member of the University of California Police Department who has graduated from an academy certified by the Commission on Peace Officer Standards and Training, when he and all members of the campus department of which he is a member have graduated from such an academy, and when any such member is employed upon a regular, full-time salary, the term "injury" as used in this division includes heart trouble and pneumonia which develops or manifests itself during a period while such member is in the service of such campus department of the University of California Police Department. The compensation which is awarded

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for such heart trouble or pneumonia shall include full hospital, surgical, medical treatment, disability indemnity, and death benefits as provided by the provisions of this division.

Such heart trouble or pneumonia so developing or manifesting itself shall be presumed to arise out of and in the course of the employment; provided, however, that the member of the University of California Police Department shall have served five years or more in such capacity before the presumption shall arise as to the compensability of heart trouble so developing or manifesting itself. This presumption is disputable and may be controverted by other evidence, but unless so controverted, the appeals board is bound to find in accordance with it. This presumption shall be extended to a member following termination of service for a period of three calendar months for each full year of the requisite service, but not to exceed 60 months in any circumstance, commencing with the last date actually worked in the specified capacity.

Such heart trouble or pneumonia so developing or manifesting itself in such cases shall in no case be attributed to any disease existing prior to such development or manifestation.

As used in this section:

(a) "Members" shall be limited to those employees of the University of California Police Department who are defined as peace officers in Section 830.2 of the Penal Code.

(b) "Campus" shall include any campus or other installation maintained under the jurisdiction of the Regents of the University of California.

(c) "Campus department" means all members of the University of California Police Department who are assigned and serve on a particular campus.

SEC. 9. Section 4458 is added to the Labor Code, to read:

4458. If a member suffers "an injury" following termination of active service, and within the time prescribed in Section 3212, 3212.2, 3212.3, 3212.4, 3212.5, 3212.6, 3212.7, or 3213, then, irrespective of his remuneration from any postactive service employment, his average weekly earnings for the purposes of determining temporary disability indemnity, permanent total disability indemnity, and permanent partial disability indemnity, shall be taken at the maximum fixed for each such disability, respectively, in Section 4453.

SEC. 10. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency because there are savings as well as costs in this act which in the aggregate do not result in significant identifiable cost changes.

CHAPTER 467

An act to amend Sections 7680, 7683, and 7725 of the Labor Code, relating to tanks and boilers.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 7680 of the Labor Code is amended to read:

7680. No tank or boiler shall be operated unless a permit for its operation has been issued by or in behalf of the division.

SEC. 2. Section 7683 of the Labor Code is amended to read:

7683. If a tank or boiler is found to be in a safe condition for operation, a permit shall be issued by or in behalf of the division for its operation.

In the case of a tank, the permit shall continue in effect for not longer than five years.

In the case of a boiler, the permit shall continue in effect for not longer than one year.

SEC. 3. Section 7725 of the Labor Code is amended to read:

7725. As used in this chapter, the following terms shall have the meaning therein given them.

(a) "Small tank" shall mean any tank 1,200 gallons water capacity or less.

(b) "Large tank" shall mean any tank of more than 1,200 gallons water capacity.

(c) "Shop inspection" shall mean the inspection and testing of tanks or boilers, manufactured, or in the process of manufacture, repair, or alteration, in the manufacturer's shops, or at the jobsite, in accordance with the applicable rules of the respective codes under which they are manufactured.

(d) "Field inspection" shall mean the inspection and testing of installed tanks or boilers or both tanks and boilers, regardless of location.

(e) "Resale inspection" shall mean the inspection of boilers or tanks in the possession of a dealer or vendor at the request of a user who contemplates the purchase thereof.

CHAPTER 468

An act to amend Section 16501 of the Education Code, relating to school supplies.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 16501 of the Education Code is amended to read:

16501. The county board of education shall on or before the first day of February of each year establish rules and regulations under which any school district in the county shall, except as provided in Section 16505, purchase standard school supplies and equipment through the county superintendent of schools, or when so directed by him, through a county purchasing agent.

When the county superintendent of schools purchases standard school supplies without directing their purchase through the county purchasing agent or other county, city, or school district agent or agency, he shall make such purchase from the lowest responsible bidder who shall give such security as the county superintendent of schools requires, or else reject all bids. For the purpose of securing bids, the county superintendent of schools shall publish at least once a week for two weeks in a newspaper of general circulation published in the county, a notice calling for bids stating where the list and specifications of standard school supplies and equipment to be furnished may be obtained and the time when, and the place where bids will be opened.

The county board of education shall list as standard school supplies and equipment such supplies and equipment as can be advantageously purchased in quantity. The list of standard school supplies shall be accompanied by a table of specifications giving the minimum grade, quality, substance, or other standard required for the purchase of each item listed.

The cost of advertising for bids and the cost of preparation of a table of specifications shall be paid from the county general fund.

The provisions of this section shall not apply to counties of the first or second class containing no more than three districts with an average daily attendance of less than 2,500.

CHAPTER 469

An act to amend Sections 30201, 30207, 30221, and 30222 of the Public Utilities Code, relating to transit districts.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 30201 of the Public Utilities Code is amended to read:

30201. The board of directors shall consist of 11 members appointed as follows:

Five by the Board of Supervisors of the County of Los Angeles, who, in the discretion of such board of supervisors, may or may not be members of such board of supervisors, but each of whom shall be a resident of a different supervisorial district.

Two by the Mayor of the City of Los Angeles, subject to confirmation by the City Council of the City of Los Angeles, who may or may not be members of such city council, but each of whom shall be a resident of such city.

Four by the city selection committee, who, in the discretion of such committee, may or may not be members of such committee and may or may not be elected city officials, but each of whom shall be a resident of a different city and none of whom shall be residents of the City of Los Angeles. The city selection committee shall adopt rules and regulations grouping or combining the areas of the cities within the district, except the City of Los Angeles, into four corridors based on existing or proposed transit lines. The rules and regulations shall provide that the member of the board to be selected by a subcommittee of the city selection committee shall be a resident of the corridor represented by the subcommittee. The terms of office of these four members of the board shall be for four years. On and after January 1, 1977, any appointment to the board shall be made by a subcommittee of the committee, which subcommittee shall include only members representing those cities within the corridor that the previous director represented. The appointment of a subcommittee shall be deemed approved by the city selection committee unless rejected by a two-thirds vote of the committee within 30 days of the appointment. If the appointment is so rejected, the subcommittee shall make another appointment.

SEC. 2. Section 30207 of the Public Utilities Code is amended to read:

30207. A city selection committee shall be established which shall consist of one member representing each city within the district as described in Section 30100, except the City of Los Angeles. Each member of the city selection committee shall serve without compensation from the district and shall be designated and appointed by and be a member of the governing body of the city he represents. As a member of the city selection committee, each member shall be entitled to vote on all motions coming before the committee or subcommittee thereof of which such member is a member, and shall be entitled to cast one vote for each 10,000, or major fractional part thereof, of population in the city represented by him as shown by the latest population estimate prepared by the population research unit of the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code; provided, that each member shall have at least one vote and no city shall have votes exceeding in number the total number of votes of all the other cities represented on the committee. For the purposes of this section, the term "major fractional part" means a fractional part larger than one-half.

SEC. 3. Section 30221 of the Public Utilities Code is amended to read:

30221. Whenever a vacancy occurs in the member of the board appointed by a subcommittee of the city selection committee, the vacancy shall be filled by that subcommittee. The subcommittee shall meet within 30 days following the occurrence to appoint a director to fill the vacancy. The board shall determine promptly the time and place of the meeting of the subcommittee and shall give the members at least 10 days notice thereof. Whenever there shall not be a quorum present at the meeting of the subcommittee, the meeting shall be adjourned to a subsequent time and place as determined by a majority of the total number of votes present.

The appointment of the subcommittee shall be deemed approved by the city selection committee unless rejected by a two-thirds vote of the committee within 30 days of the appointment. If the appointment is so rejected, the subcommittee shall make another appointment.

An appointment to fill a vacancy shall be for the unexpired portion of the term.

SEC. 4. Section 30222 of the Public Utilities Code is amended to read:

30222. The city selection committee shall meet within 45 days after receiving the latest population estimate prepared by the population research unit of the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code (1) to determine the number of votes each member is entitled to cast and (2) to enable each subcommittee of the committee to appoint a member to the board on the basis of the newly determined number of votes each member is entitled to cast; provided, however, that nothing herein shall prevent the reappointment of directors who are currently serving or who have served previously. The board shall determine the time and place of the meeting of the city selection committee and shall give the members at least 10 days notice thereof. Whenever there shall not be a quorum present at the meeting of the city selection committee, the meeting shall be adjourned to a subsequent time and place as determined by a majority of the total number of votes present.

CHAPTER 470

An act to amend Section 3342.5 of the Civil Code, relating to dogs.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 3342.5 of the Civil Code is amended to read:

3342.5. (a) The owner of any dog which has bitten a human being shall have the duty to take such reasonable steps as are necessary to remove any danger presented to other persons from bites by such animal.

(b) Whenever a dog has bitten a human being on at least two separate occasions, any person, the district attorney, or city attorney may bring an action in the municipal court against the owner of such animal to determine whether conditions of the treatment or confinement of the dog or other circumstances existing at the time of the bites have been changed so as to remove the danger to other persons presented by such animal. Such action shall be brought in the county where a bite occurred. The court, after hearing, may make any order it deems appropriate to prevent the recurrence of such an incident, including, but not limited to, the removal of the animal from the area or its destruction if necessary.

(c) Nothing in this section shall authorize the bringing of an action pursuant to subdivision (b) which is based on a bite or bites inflicted upon a trespasser, or by a dog used in military or police work if such bite or bites occurred while the dog is actually performing in such capacity.

(d) Nothing in this section shall be construed to prevent legislation in the field of dog control by any city, county, or city and county.

(e) Nothing in this section shall be construed to affect the liability of the owner of a dog under Section 3342 or any other provision of the law.

CHAPTER 471

An act to amend Section 690.3 of the Code of Civil Procedure, relating to exemptions.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 690.3 of the Code of Civil Procedure is amended to read:

690.3. (a) One housetrailer, mobilehome, houseboat, boat, or other waterborne vessel in which the debtor, or the family of such debtor, actually resides, of a value not exceeding the following values:

(1) For any head of a family, of a value not exceeding thirty thousand dollars ($30,000) in actual cash value, over and above all liens and encumbrances on that housetrailer, mobilehome, houseboat, boat, or other waterborne vessel;

(2) For any person 65 years of age or older, of a value not exceeding thirty thousand dollars ($30,000) in actual cash value, over and above all liens and encumbrances on that housetrailer, mobilehome, houseboat, boat, or other waterborne vessel; and

(3) For any other person, of a value not exceeding fifteen thousand dollars ($15,000) in actual cash value, over and above all liens and encumbrances on that housetrailer, mobilehome, houseboat, boat, or other waterborne vessel.

(b) The exemption provided by this section shall not apply if such debtor or the spouse of such debtor has an existing homestead as provided by Title 5 (commencing with Section 1237) of Part 4 of Division 2 of the Civil Code or has obtained a prior judicial determination that the dwelling house of the debtor or the family of the debtor is exempt from execution under Section 690.235.

SEC. 2. Section 690.3 of the Code of Civil Procedure is amended to read:

690.3. (a) One housetrailer, mobilehome, houseboat, boat, or other waterborne vessel in which the debtor, or the family of such debtor, actually resides, of a value not exceeding the following values:

(1) For any head of a family, of a value not exceeding thirty thousand dollars ($30,000) in actual cash value, over and above all liens and encumbrances on that housetrailer, mobilehome, houseboat, boat, or other waterborne vessel;

(2) For any person 65 years of age or older of a value not exceeding thirty thousand dollars ($30,000) in actual cash value, over and above all liens and encumbrances on that housetrailer, mobilehome, houseboat, boat, or other waterborne vessel; and

(3) For any other person, of a value not exceeding fifteen thousand dollars ($15,000) in actual cash value, over and above all liens and encumbrances on that housetrailer, mobilehome, houseboat, boat, or other waterborne vessel.

(b) The exemption provided by this section shall not apply if such debtor or the spouse of such debtor has an existing homestead as provided by Title 5 (commencing with Section 1237) of Part 4 of Division 2 of the Civil Code or has obtained a prior judicial determination that the dwelling house of the debtor or the family of the debtor is exempt from execution under Section 690.31.

SEC. 3. It is the intent of the Legislature, if this bill and Assembly Bill No. 2698 are both chaptered and become effective on January 1, 1977, and Assembly Bill No. 2698 repeals Section 690.235 of the Code of Civil Procedure and adds Section 690.31 to the Code of Civil Procedure, that Section 690.3 of the Code of Civil Procedure be amended on the effective date of this act in the form set forth in Section 2 of this act instead of the form set forth in Section 1 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Assembly Bill No. 2698 are both chaptered and become effective on January 1, 1977, and Assembly Bill No. 2698 repeals Section 690.235 of the Code of Civil Procedure and adds Section

690.31 to the Code of Civil Procedure, in which case Section 1 of this act shall not become operative.

CHAPTER 472

An act to amend Section 21401 of, and add Section 21374 to, the Vehicle Code, relating to traffic markings.

[Approved by Governor July 18, 1976. Filed with Secretary of State July 19, 1976]

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

SECTION 1. Section 21374 is added to the Vehicle Code, to read:

21374. A local authority may mark or paint the surface of any street or highway under its jurisdiction, or of any state highway, with the approval of the Department of Transportation, with lines, arrows, or other suitable symbols for the purpose of directing visitors and tourists to local points of interest. No such marking shall be of a color or configuration which, as determined by the Department of Transportation, would cause it to be confused with an official traffic control device.

SEC. 2. Section 21401 of the Vehicle Code is amended to read:

21401. Except as provided in Section 21374, only those official traffic control devices that conform to the uniform standards and specifications promulgated by the Department of Transportation shall be placed upon a street or highway.

CHAPTER 473

An act to amend Section 8575 of the Education Code, relating to high schools.

[Approved by Governor July 18, 1976 Filed with Secretary of State July 19, 1976]

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

SECTION 1. Section 8575 of the Education Code is amended to read:

8575. The State Board of Education shall by April 1, 1977, prepare, and distribute to each school district maintaining a high school for its consideration, examples of minimum academic standards for graduation. The Department of Education shall include in this distribution the criteria utilized in developing standards of competency in basic skills pursuant to subdivision (b) of Section 12603 and representative examples of items used to test the

attainment of such standards. These examples shall be provided solely to assist each school district in the development of its own minimum academic standards for graduation as required by Section 8574.

Nothing in this section shall be construed to authorize or require the State Board of Education to adopt statewide minimum academic standards for graduation from high school.

CHAPTER 474

An act to amend Sections 8601 and 8693 of the Fish and Game Code, relating to fish.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 8601 of the Fish and Game Code is amended to read:

8601. Any net or line that is fast in any way and is not free to drift with the tide or current is a set net or set line. Any net so placed that it will catch or impound fish within a bight, bay, or estuary, or against the shore upon the receding of the tide is a set net. Any set net shall be marked at either end with a buoy displaying above its waterline in numerals at least two inches high, the California Fish and Game number of the vessel from which such net is being fished. Fyke nets, shrimp nets, or crab nets shall not be considered set nets.

SEC. 2. Section 8693 of the Fish and Game Code is amended to read:

8693. In Districts 17, 18, 19, and 20A, drift gill nets and set gill nets may be used except for the taking of salmon.

Rockfish and lingcod may be taken with drift gill nets and set gill nets in such districts subject to the following restrictions:

(a) Rockfish and lingcod may not be taken between a line running 240° magnetic from the south steamplant stack at Moss Landing and a line running 320° magnetic from the lighthouse at Point Pinos in water less than 60 fathoms.

(b) Rockfish and lingcod may not be taken between a line running 320° magnetic from the lighthouse at Point Pinos and a line running 250° magnetic from Hurricane Point in waters less than 50 fathoms.

(c) Rockfish and lingcod may not be taken between a line running 250° magnetic from Hurricane Point and a line running 180° magnetic from Pfeiffer Point in water less than 45 fathoms.

(d) Rockfish and lingcod may not be taken between a line running due west magnetic from the lighthouse at Point Piedras Blancas and a line running due west magnetic from Point Sal in

water less than 40 fathoms.

(e) Loads or lots of fish taken in the areas described under subdivisions (a) to (d), inclusive, may contain 200 pounds or less of rockfish and lingcod in combination, but in no instance more than 100 pounds of rockfish.

(f) On and after July 1, 1978, drift gill nets and set gill nets which have mesh smaller than 4⅛ inches may not be used nor may they be possessed on any boat fishing for rockfish and lingcod in Districts 17, 18, 19, and 20A. On and after such date, drift gill nets and set gill nets used or possessed on any boat fishing for rockfish and lingcod in such districts, shall not be constructed of twine larger than number 6 nylon, except that the bottom 15 meshes may be constructed of heavier twine.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 475

An act to amend Section 423 of the Probate Code, relating to nomination of an administrator of estate.

[Approved by Governor July 18, 1976. Filed with Secretary of State July 19, 1976.]

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

SECTION 1. Section 423 of the Probate Code is amended to read:

423. Administration may be granted to one or more competent persons, although not otherwise entitled to the same, at the written request of the person entitled or of a child, grandchild, parent, brother or sister of the decedent who would be entitled but for his nonresidence in California, filed in court. If the person making the request is a child, grandchild, parent, brother or sister of the decedent, the nominee shall have priority next after those in the class of the person making the request; otherwise the court, in its discretion, may appoint either such nominee or a person of a class subsequent in rank to that of the person making the request; but other persons of the class of the person making the request shall have priority over such nominee.

CHAPTER 476

An act to amend Section 11519 of the Government Code, relating to administrative adjudication.

[Approved by Governor July 18, 1976. Filed with Secretary of State July 19, 1976.]

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

SECTION 1. Section 11519 of the Government Code is amended to read:

11519. (a) The decision shall become effective 30 days after it is delivered or mailed to respondent unless: A reconsideration is ordered within that time, or the agency itself orders that the decision shall become effective sooner, or a stay of execution is granted.

(b) A stay of execution may be included in the decision or if not included therein may be granted by the agency at any time before the decision becomes effective. The stay of execution provided herein may be accompanied by an express condition that respondent comply with specified terms of probation; provided, however, that the terms of probation shall be just and reasonable in the light of the findings and decision.

(c) If respondent was required to register with any public officer, a notification of any suspension or revocation shall be sent to such officer after the decision has become effective.

CHAPTER 477

An act to amend Section 19170 of the Business and Professions Code, relating to home furnishings.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 19170 of the Business and Professions Code is amended to read:

19170. (a) The fee imposed for the issuance and for the renewal of each license granted under this chapter shall be set by the chief, with the approval of the director, at a sum not more nor less than that shown in the following table:

	Maximum fee	Minimum fee
Furniture manufacturer's license	$120	$40
Wholesale furniture dealer's license	120	40
Bedding manufacturer's license	120	40

02940 299345 654

Wholesale bedding dealer's license	120	40
Supply dealer's license	120	40
Custom upholsterer's license	80	20
Bedding renovator's license	80	20
Sterilizer's license	80	20
Retail furniture dealer's license	20	4
Retail bedding dealer's license	20	4

(b) A person who has paid the required fee and who is duly licensed as a furniture manufacturer, a custom upholsterer, a bedding manufacturer or a bedding renovator under this chapter shall not be required to pay, in addition, the fee prescribed herein for a sterilizer's license.

(c) The fee for the initial issuance of a license shall be fixed at an amount equal to 50 percent of the initial license fee then in effect if the license is issued less than one year before the date on which it will expire. The bureau shall provide for the waiver or refund of the initial license fee where the license is issued less than 45 days before the date on which it will expire.

(d) Individuals who, in their own homes and without the employment of any other person, make, sell, advertise, or contract to make pillows, quilts, quilted pads or comforters are exempt from the fee requirements imposed by subdivision (a). However, such individuals must comply with all other provisions of this chapter.

CHAPTER 478

An act to add Section 29707.1 to the Government Code, relating to claims of supervisors.

[Approved by Governor July 18, 1976 Filed with Secretary of State July 19, 1976]

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

SECTION 1. Section 29707.1 is added to the Government Code, to read:

29707.1. In a county where the board of supervisors has adopted the procedures prescribed in Article 2 of this Chapter (commencing with Section 29740) a claim against the county presented by a member of the board for per diem and mileage or for service rendered by him need not be presented to the district attorney or county counsel. The allowance of the claim by the auditor shall constitute authority for the issuance of a warrant on the county treasury for such an amount of each such claim as the auditor finds to be a correct and legal county charge.

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by majority vote, make the provisions of this section applicable in such county.

CHAPTER 479

An act to add Section 24217 to the Education Code, relating to the California State University and Colleges.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 24217 is added to the Education Code, to read:

24217. The trustees shall grant a leave of absence without pay for the purposes of the pregnancy, childbirth or the recovery therefrom of a female employee, for a period as determined by the employee not exceeding one year to any permanent employee under the jurisdiction of the trustees. When the employee has notified the trustees as to the period of the leave of absence required, any change in the length of the period of leave shall not be effective unless approved by the trustees.

CHAPTER 480

An act to amend Section 10133.1 of, and to add Sections 10133.25 and 10133.35 to, the Business and Professions Code, relating to mortgages.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 10133.1 of the Business and Professions Code is amended to read:

10133.1. The provisions of subdivision (d) of Section 10131, subdivision (e) of Section 10131, Section 10131.1 and of Articles 5 (commencing with Section 10230), 6 (commencing with Section 10237), and 7 (commencing with Section 10240) of this chapter do not apply to the following:

(a) Any person or employee thereof doing business under any law of this state, any other state, or of the United States relating to banks, trust companies, savings and loan associations, industrial loan companies, pension trusts, credit unions, or insurance companies.

(b) Any lender making a loan guaranteed or insured by an agency of the federal government or for which a commitment to so guarantee or insure has been made by such agency.

(c) Any nonprofit cooperative association organized under Chapter 1 (commencing with Section 5401) of Division 20 of the Agricultural Code, in loaning or advancing money in connection

with any activity mentioned therein.

(d) Any corporation, association, syndicate, joint stock company, or partnership engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, livestock, poultry, or bee products on a cooperative nonprofit basis, in loaning or advancing money to the members thereof or in connection with any such business.

(e) Any corporation securing money or credit from any federal intermediate credit bank organized and existing pursuant to the provisions of an act of Congress entitled the "Agricultural Credits Act of 1923," in loaning or advancing money or credit so secured.

(f) Any person licensed to practice law in this state, not actively and principally engaged in the business of negotiating loans secured by real property, when such person renders services in the course of his practice as an attorney at law, and the disbursements of such person, whether paid by the borrower or other person, are not charges or costs and expenses regulated by or subject to the limitations of Article 7 (commencing with Section 10240) of this chapter, provided, such fees and disbursements shall not be shared, directly or indirectly, with the person negotiating the loan or the lender.

(g) Any person licensed as a personal property broker when acting under the authority of such license.

(h) Any cemetery authority as defined by Section 7018 of the Health and Safety Code which is authorized to do business in this state or its authorized agent.

(i) Any person who makes collection of payments for lenders or on notes of owners in connection with loans secured directly or collaterally by liens on real property, insofar as such activities are concerned, and (1) who is not actively engaged in the business of negotiating loans secured by real property or (2) who is not acting as a principal or agent in the sale or exchange of promissory notes secured directly or collaterally by liens on real property; provided that:

(1) Such person has made application to the commissioner and has complied with all the provisions of Section 10133.25; or

(2) Such person makes such collections on 10 or less of such loans, or in amounts of forty thousand dollars ($40,000) or less in any calendar year.

(j) Any person licensed by the Savings and Loan Commissioner pursuant to Chapter 6 (commencing with Section 6200) of Part 1 of Division 2 of the Financial Code to act as an agent of a savings and loan association as defined by Section 5053 of such code, when acting under the authority of such license.

SEC. 2. Section 10133.25 is added to the Business and Professions Code, to read:

10133.25. The exemption provided by paragraph (1) of subdivision (i) of Section 10133.1 is conditioned upon compliance with all of the following:

(a) An application has been filed with the commissioner on a form to be prescribed by him, which application shall include but not be limited to the name and address of the firm, names of the owners, and, if a corporation, the officers and directors of the firm, the names of the lenders on whose behalf the collections are to be made, and a financial statement as of the close of the last fiscal or calendar year of the applicant.

(b) The application shall be accompanied by a fee of two hundred dollars ($200). The applicant shall be notified and the exemption effective only upon satisfaction of all of the provisions of this section. The exemption is valid for one year from the date of issuance. Annual renewals shall be issued upon payment of a renewal fee of two hundred dollars ($200) and a showing of compliance with the provisions of this section.

(c) The applicant shall agree to comply with those provisions of Sections 10145 and 10148 and regulations of the Real Estate Commissioner relating to trust fund handling applicable to real estate licensees.

(d) The applicant shall file and maintain with the commissioner: (1) A bond satisfactory to the commissioner in the amount of five thousand dollars ($5,000), issued by an admitted corporate insurer approved by the commissioner, and running to the people of the State of California. The bond shall be conditioned that the applicant will obey all of the provisions of this section and of Sections 10145 and 10148 and regulations of the Real Estate Commissioner relating to trust fund handling applicable to real estate licensees, and that the applicant will perform and comply with all obligations assumed by him and will honestly and faithfully apply all funds received. When an action is commenced on said bond the commissioner may require the filing of a new bond. Immediately upon the recovery in any action on the bond the applicant shall file a new bond. In lieu of the bond required herein the applicant may file a cash bond in the sum of five thousand dollars ($5,000), evidence of deposit of said sum in banks authorized to do business in this state and insured by the Federal Deposit and Insurance Corporation, or investment certificates or share accounts in the amount of five thousand dollars ($5,000) issued by a savings and loan association doing business in the state and insured by the Federal Savings and Loan Insurance Corporation. Such deposits, certificates, or accounts shall be assigned to and accepted and maintained by the commissioner upon such terms as the commissioner may prescribe and until released by the commissioner, and

(2) The applicant shall file and maintain with the commissioner a bond in an amount sufficient to cover the maximum liability for collections of loan payments plus tax, insurance and other loan-servicing impound funds in the custody or control of the applicant. Such bond shall be satisfactory to the commissioner, issued by an admitted corporate insurer approved by the commissioner, to indemnify the applicant against fraudulent or dishonest acts, or loss

of money or securities deposited in trust with the applicant. The sufficiency of the sureties on the bond are at all times subject to the approval of the commissioner. The bonds shall be filed in the commissioner's office. The aggregate liability of the surety, for all claims shall, in no event exceed the penal sum of the bond.

(e) The applicant shall agree to comply with such other requirements of the commissioner as are consistent with the provisions of this section to protect clients' funds.

SEC. 3. Section 10133.35 is added to the Business and Professions Code, to read:

10133.35. Any person who willfully violates any of the provisions of Section 10133.25 shall be liable for civil penalties not to exceed two thousand five hundred dollars ($2,500) for each such violation. This penalty shall be recovered in a civil action brought by the Real Estate Commissioner.

CHAPTER 481

An act to amend Section 927 of the Penal Code, relating to grand juries.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 927 of the Penal Code is amended to read:

927. A grand jury may, and when requested by the board of supervisors shall, investigate and report upon the needs for increase or decrease in salaries of the county-elected officials. A copy of such report shall be transmitted to the board of supervisors.

CHAPTER 482

An act to amend Section 21460 of, and to amend, repeal, and add Section 21460.5 of, the Vehicle Code, relating to vehicles.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 21460 of the Vehicle Code is amended to read:

21460. (a) When double parallel solid lines are in place, no person driving a vehicle shall drive to the left thereof, except as permitted in this section.

(b) When the double parallel lines, one of which is broken, are in place, no person driving a vehicle shall drive to the left thereof, except:

(1) That the driver on that side of the roadway in which the broken line is in place may cross over the double line or drive to the left thereof when overtaking or passing other vehicles.

(2) As provided in Section 21460.5.

(c) Either of the markings as specified in subdivision (a) or (b) shall not prevent a driver from turning to the left across any such marking at any intersection or into or out of a driveway, or making a U-turn under the rules governing such movement, and either of the markings shall be disregarded when authorized signs have been erected designating offcenter traffic lanes as permitted under Section 21657.

(d) Raised pavement markers may be used to simulate painted lines described in this section when such markers are placed in accordance with standards established by the Department of Transportation.

SEC. 2. Section 21460.5 of the Vehicle Code is amended to read:

21460.5. (a) The Department of Transportation and local authorities in their respective jurisdictions may designate a two-way left-turn lane on a highway. A two-way left-turn lane is a lane near the center of the highway set aside for use by vehicles making left turns in both directions from or into the highway.

(b) Until January 1, 1980, two-way left-turn lanes shall be designated by distinctive roadway markings consisting of either parallel dashed double yellow lines on each side of the lane, or parallel double lines, interior line dashed and exterior line solid, on each side of the lane. The Department of Transportation may determine and prescribe standards and specifications governing length, width, and positioning of the distinctive pavement markings. All pavement markings designating a two-way left-turn lane shall conform to such standards and specifications.

(c) A vehicle shall not be driven in a designated two-way left-turn lane except when preparing for or making a left turn from or into a highway or when preparing for or making a U-turn when otherwise permitted by law. A left turn shall not be made from any other lane where a two-way left-turn lane has been designated.

(d) This section shall not prohibit driving across a two-way left-turn lane.

(e) Raised pavement markers may be used to simulate painted lines described in this section when such markers are placed in accordance with standards established by the Department of Transportation.

This section shall remain in effect until January 1, 1980, and as of such date is repealed.

SEC. 3. Section 21460.5 is added to the Vehicle Code, to read:

21460.5. (a) The Department of Transportation and local authorities in their respective jurisdictions may designate a two-way

left-turn lane on a highway. A two-way left-turn lane is a lane near the center of the highway set aside for use by vehicles making left turns in both directions from or into the highway.

(b) Two-way left-turn lanes shall be designated by distinctive roadway markings consisting of parallel double yellow lines, interior line dashed and exterior line solid, on each side of the lane. The Department of Transportation may determine and prescribe standards and specifications governing length, width, and positioning of the distinctive pavement markings. All pavement markings designating a two-way left-turn lane shall conform to such standards and specifications.

(c) A vehicle shall not be driven in a designated two-way left-turn lane except when preparing for or making a left turn from or into a highway or when preparing for or making a U-turn when otherwise permitted by law. A left turn shall not be made from any other lane where a two-way left-turn lane has been designated.

(d) This section shall not prohibit driving across a two-way left-turn lane.

(e) Raised pavement markers may be used to simulate painted lines described in this section when such markers are placed in accordance with standards established by the Department of Transportation.

This section shall become operative on January 1, 1980.

CHAPTER 483

An act to amend Section 220.5 of the Streets and Highways Code, relating to safety roadside rest, and making an appropriation therefor.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 220.5 of the Streets and Highways Code is amended to read:

220.5. The department may, on an experimental basis, authorize the placement of vending machines in safety roadside rests, unless prohibited by federal laws, rules, or regulations.

Any money received by the state for authorizing the placement of such vending machines shall be transferred by the department to the State Highway Account in the State Transportation Fund.

CHAPTER 484

An act to amend Section 76003 of the Government Code, relating to juror compensation.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 76003 of the Government Code is amended to read:

76003. In a county of the third class the fees of the grand jurors shall be not less than ten dollars ($10) and not more than twenty-five dollars ($25), as determined by the county board of supervisors, for each day's attendance and mileage at the rate of ten cents ($0.10) a mile necessarily traveled in attending court, in going and returning, unless otherwise determined at a higher amount by the county board of supervisors.

The fees of trial jurors in the superior courts are the amounts provided by law for each day's attendance and mileage at the rate of fifteen cents ($0.15) a mile for each mile necessarily traveled in attending court, in going only. In criminal cases fees and mileage of trial jurors in the superior court shall be paid by the treasurer of the county out of the general fund of the county upon warrants drawn by the county auditor upon the written order of the judge of the court in which the juror was in attendance, and the treasurer of the county shall pay the warrants.

CHAPTER 485

An act to amend Sections 12511, 12512, and 12525 of, and to repeal Section 12542 of, the Water Code, relating to the Colorado River Board of California.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 12511 of the Water Code is amended to read:

12511. The board consists of nine members to be appointed by the Governor as provided in this chapter, and the Director of Water Resources and the Director of Fish and Game or their designees.

SEC. 2. Section 12512 of the Water Code is amended to read:

12512. The governing body of the San Diego County Water Authority shall submit to the Governor a list of not less than three persons and a similar list shall be submitted to the Governor by the

governing body of each of the following: Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley County Water District, the Metropolitan Water District of Southern California, and the Department of Water and Power of the City of Los Angeles. From each such list the Governor shall choose and appoint one member and one alternate who in the absence for any cause, including vacancy of the appointed member, shall have all authority and rights of the appointed member. The Governor shall appoint three additional public members.

SEC. 3. Section 12525 of the Water Code is amended to read:

12525. The Governor shall annually appoint from among the members of the board, other than the Director of Water Resources or the Director of Fish and Game or their designees, a chairman who is ex officio the "Colorado River Commissioner."

SEC. 4. Section 12542 of the Water Code is repealed.

CHAPTER 486

An act to add Section 25667 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 25667 is added to the Business and Professions Code, to read:

25667. Nothing in this division shall be construed to prohibit the service of any alcoholic beverage by any person between 18 and 21 years of age in any bona fide public eating place, as defined in Sections 23038 and 23038.1, which is licensed for the on-sale of alcoholic beverages, where such person is not acting in the capacity of a bartender and the service occurs in an area primarily designed and used for the sale and service of food for consumption on the premises.

CHAPTER 487

An act to add Section 1242.7 to, and to repeal Section 1242.7 of, the Business and Professions Code, relating to healing arts.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 1242.7 is added to the Business and Professions Code, to read:

1242.7. The department may by regulation authorize unlicensed personnel who are employed as hemodialysis technicians in licensed clinics or hospitals, as defined respectively in Sections 1202 and 1250 of the Health and Safety Code, to perform venipuncture and arterial puncture for the purpose of providing dialysis treatment for a patient as defined by regulations of the department. The department shall establish the minimum training required for such persons.

This section shall remain in effect until January 1, 1980, and on such date is repealed.

CHAPTER 488

An act to amend Section 1093 of the Penal Code, relating to opening statements.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 1093 of the Penal Code is amended to read:

1093. The jury having been impaneled and sworn, unless waived, the trial must proceed in the following order, unless otherwise directed by the court:

1. If the accusatory pleading be for a felony, the clerk must read it, and state the plea of the defendant to the jury, and in cases where it charges a previous conviction, and the defendant has confessed the same, the clerk in reading it shall omit therefrom all that relates to such previous conviction. In all other cases this formality may be dispensed with.

2. The district attorney, or other counsel for the people, may make an opening statement in support of the charge. Whether or not the district attorney, or other counsel for the people, makes an opening statement, the defendant or his counsel may then make an opening statement, or may reserve the making of an opening statement until after introduction of the evidence in support of the charge.

3. The district attorney, or other counsel for the people shall then offer the evidence in support of the charge. The defendant or his counsel may then offer his evidence in support of the defense.

4. The parties may then respectively offer rebutting testimony only, unless the court, for good reason, in furtherance of justice, permit them to offer evidence upon their original case.

5. When the evidence is concluded, unless the case is submitted on either side, or on both sides, without argument, the district attorney, or other counsel for the people, and counsel for the defendant, may

argue the case to the court and jury; the district attorney, or other counsel for the people, opening the argument and having the right to close.

6. The judge may then charge the jury, and must do so on any points of law pertinent to the issue, if requested by either party; and he may state the testimony, and he may make such comment on the evidence and the testimony and credibility of any witness as in his opinion is necessary for the proper determination of the case and he may declare the law. At the beginning of the trial or from time to time during the trial, and without any request from either party, the trial judge may give the jury such instructions on the law applicable to the case as he may deem necessary for their guidance on hearing the case. The trial judge may cause copies of instructions so given to be delivered to the jurors at the time they are given.

CHAPTER 489

An act to amend Section 1294 of the Labor Code, relating to employment of minors.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 1294 of the Labor Code is amended to read:

1294. No minor under the age of 16 years shall be employed or permitted to work in any capacity:

(a) Upon any railroad, whether steam, electric, or hydraulic.

(b) Upon any vessel or boat engaged in navigation or commerce within the jurisdiction of this state.

(c) In, about, or in connection with any processes in which dangerous or poisonous acids are used, in the manufacture or packing of paints, colors, white or red lead, or in soldering.

(d) In occupations causing dust in injurious quantities, in the manufacture or use of dangerous or poisonous dyes, in the manufacture or preparation of compositions with dangerous or poisonous gases, or in the manufacture or use of compositions of lye in which the quantity thereof is injurious to health.

(e) On scaffolding, in heavy work in the building trades, in any tunnel or excavation, or in, about or in connection with any mine, coal breaker, coke oven or quarry.

(f) In assorting, manufacturing or packing tobacco.

(g) In operating any automobile, motor car or truck.

(h) In any pool or billiard room.

(i) In or about a gasoline service station.

(j) In any occupation dangerous to the life or limb, or injurious to the health or morals of such minor.

CHAPTER 490

An act to add Section 1398.5 to the Health and Safety Code, relating to health care service plans.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 1398.5 is added to the Health and Safety Code, to read:

1398.5. All references to the Knox-Mills Health Plan Act (Article 2.5 (commencing with Section 12530) of Chapter 6 of Part 2 of Division 3 of the Government Code), which was repealed by Chapter 941 of the Statutes of 1975, shall be deemed to be references to the Knox-Keene Health Care Service Plan Act of 1975.

CHAPTER 491

An act relating to the operation and control of Whale Rock Dam and Reservoir in San Luis Obispo County.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. The Department of Finance is authorized to transfer to the Department of Water Resources it obligations and responsibilities under Chapter 1080 of the Statutes of 1957 for the operation and control of Whale Rock Dam and Reservoir in San Luis Obispo County, subject to the consent of the other parties to the operating agreement entered into pursuant to such statute. Upon such transfer the Department of Water Resources shall assume the obligations and responsibilities of the Department of Finance under the statute and the operating agreement, including membership on the Whale Rock Commission.

CHAPTER 492

An act to amend Section 25103 of the Corporations Code, relating to securities.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 25103 of the Corporations Code is amended to read:

25103. The following transactions are exempted from the provisions of Section 25110 and Section 25120:

(a) Any negotiations or agreements prior to general solicitation of shareholders' approval, and subject to such approval, of a change in the rights, preferences, privileges, or restrictions of or on outstanding securities or a merger, consolidation or sale of corporate assets in consideration of the issuance of securities.

(b) Any change in the rights, preferences, privileges, or restrictions of or on outstanding securities, unless the holders of at least 25 percent of the outstanding shares or units of any class of securities which will be directly or indirectly affected substantially and adversely by such change have addresses in this state according to the records of the issuer.

(c) Any exchange incident to a merger, consolidation, or sale of corporate assets in consideration of the issuance of securities of another corporation, unless at least 25 percent of the outstanding shares of any class, the holders of which are to receive securities in the exchange, are held by persons who have addresses in this state according to the records of the corporation of which they are shareholders.

(d) For the purposes of subdivision (b) and subdivision (c) of this section, (1) any securities held to the knowledge of the issuer in the names of broker-dealers or nominees of broker-dealers and (2) any securities controlled by any one person who controls directly or indirectly 50 percent or more of the outstanding securities of that class shall not be considered outstanding. The determination of whether 25 percent of the outstanding securities are held by persons having addresses in this state, for the purposes of subdivision (b) and subdivision (c) of this section, shall be made as of the record date for the determination of the security holders entitled to vote on or consent to the action, if approval of such holders is required, or if not as of the date of directors' approval of such action.

(e) Any change (other than a stock split or reverse stock split) in the rights, preferences, privileges, or restrictions of or on outstanding shares, except the following if they materially and adversely affect any class of shareholders: (1) to add, change, or delete assessment provisions; (2) to change the rights to dividends thereon; (3) to change the redemption provisions; (4) to make them redeemable; (5) to change the amount payable on liquidation; (6) to change, add, or delete conversion rights; (7) to change, add, or delete voting rights; (8) to change preemptive rights; (9) to change, add, or delete sinking fund provisions; (10) to rearrange the relative priorities of outstanding shares; (11) to impose, change, or delete restrictions upon the transfer of shares in the articles of incorporation or bylaws; (12) to change the right of shareholders with respect to the calling of special meetings of shareholders; and (13) to change, add, or delete any rights, preferences, privileges, or restrictions of, or on, the

outstanding shares or membership of a mutual water company or other corporation organized primarily to provide services or facilities to its shareholders or members.

(f) Any stock split or reverse stock split, except the following: (1) any stock split or reverse stock split if the corporation has more than one class of voting shares outstanding; (2) any stock split of a stock which is traded in the market and its market price as of the date of directors' approval of the stock split adjusted to give effect to the split was less than two dollars ($2) per share; and (3) any reverse stock split if the stock is not traded in the market and the corporation has the option of paying cash for any fractional shares created by such reverse split and as a result of such action the proportionate interests of the shareholders would be substantially altered. Any shares issued upon a stock split or reverse stock split exempted by this subdivision shall be subject to any conditions previously imposed by the commissioner applicable to the shares with respect to which they are issued.

(g) Any change in the rights of outstanding debt securities, except the following if they substantially and adversely affect any class of securities: (1) to change the rights to interest thereon; (2) to change their redemption provisions; (3) to make them redeemable; (4) to extend the maturity thereof or to change the amount payable thereon at maturity; (5) to change their voting rights; (6) to change their conversion rights; (7) to change sinking fund provisions; and (8) to make them subordinate to other indebtedness.

CHAPTER 493

An act to amend Section 20954 of the Education Code, relating to school funds.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 20954 of the Education Code is amended to read:

20954. The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred from one or more of these accounts or funds to another fund of the district to be used for the payment of obligations of the district. Such a transfer can be made not more than twice within a fiscal year from the same fund or account and only when the district will receive income sufficient to repay the amount transferred. The amount transferred shall be repaid either in the same or the following fiscal year, but in any case not more than 120 calendar days after the transfer. No more than 75 percent of the maximum of moneys held

in any fund or account during a current fiscal year may be transferred pursuant to the provisions of this section during that fiscal year.

CHAPTER 494

An act to amend Section 13078 of the Government Code, relating to the Department of Finance.

[Approved by Governor August 18, 1976. Filed with Secretary of State July 19, 1976.]

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

SECTION 1. Section 13078 of the Government Code is amended to read:

13078. The director may exempt from his approval or from approval of the department any transactions involving not more than twenty-five thousand dollars ($25,000) for which such approval is required by statute whenever, in his judgment, such exemption is appropriate and in the best interests of the state. Written notice of exemptions shall be given to the Controller.

CHAPTER 495

An act to amend Section 646.6 of the Penal Code, relating to accident photographs.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 646.6 of the Penal Code is amended to read:

646.6. No person shall knowingly and directly solicit any injured person, or anyone acting on behalf of any injured person, for the sale or use of photographs relating to the accident which resulted in the injury or death of such injured person.

Any person violating any provision of this section is guilty of a misdemeanor. Nothing in this section shall prohibit a person, other than a public employee acting within the scope of his or her employment, from soliciting the injured person's attorney for the sale or use of such photographs.

CHAPTER 496

An act to add Section 43659 to the Health and Safety Code, relating to air pollution.

[Approved by Governor August 18, 1976. Filed with Secretary of State August 19, 1976.]

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

SECTION 1. Section 43659 is added to the Health and Safety Code, to read:

43659. (a) The state board shall annually review the requirement that an exhaust device be installed on every 1955 through 1965 model year light-duty motor vehicle upon initial registration, or upon change of ownership and registration, to determine the contribution of that requirement to the maintenance of required ambient air quality standards in those air basins where the requirement is applicable.

(b) In making its determination, the state board shall consider all relevant factors, including, but not limited to, the fact that the requirement is being imposed on a constantly decreasing number of motor vehicles.

(c) Upon a determination by the state board by regulation that such a requirement is no longer a significant factor to the maintenance of required ambient air quality standards in any such air basin, except as provided in subdivision (d), 1955 through 1965 model year light-duty motor vehicles in that air basin shall no longer be required to be so equipped.

(d) All 1955 through 1965 model year light-duty motor vehicles equipped with an exhaust device pursuant to the requirement prior to the adoption of the regulation by the state board pursuant to subdivision (c) shall continue to be so equipped.

CHAPTER 497

An act to amend Section 222 of the Civil Code, relating to adoptions.

[Approved by Governor August 18, 1976 Filed with Secretary of State August 19, 1976]

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

SECTION 1. Section 222 of the Civil Code is amended to read:

222. (a) Except as otherwise provided in subdivision (b), the person adopting a child shall be at least 10 years older than the person adopted.

(b) If the court is satisfied that the adoption of a child by a

stepparent, or by a sister, brother, aunt, uncle, or cousin-german and, if such person is married, by such person and the spouse thereof, is in the best interest of the parties and is in the public interest, it may approve such an adoption without regard to the ages of the child and such adoptive person or persons.

CHAPTER 498

An act to amend Sections 13102, 13359, and 13556 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976]

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

SECTION 1. Section 13102 of the Vehicle Code is amended to read:

13102. When used in reference to a driver's license, "suspension" means that the person's privilege to drive a motor vehicle upon a highway is temporarily withdrawn. The department may, before terminating any suspension based upon a physical or mental condition of the licensee, require such examination of the licensee as deemed appropriate in relation to evidence of any condition which may affect the ability of the licensee to safely operate a motor vehicle.

SEC. 2. Section 13359 of the Vehicle Code is amended to read:

13359. The department may suspend or revoke the privilege of any person to operate a motor vehicle upon any of the grounds which authorize the refusal to issue a license.

SEC. 3. Section 13556 of the Vehicle Code is amended to read:

13556. (a) Unless otherwise specifically provided in this chapter, no suspension of a license by the department shall be for a longer period than six months.

(b) Any discretionary suspension, the ending of which is dependent upon an action by the person suspended and which has been in effect for eight years, may be ended at the election of the department.

(c) Notwithstanding any other provisions of this code, a suspension based upon a physical or mental condition shall continue until evidence satisfactory to the department establishes that the cause for which the action was taken has been removed or no longer renders the person incapable of operating a motor vehicle safely.

CHAPTER 499

An act to amend Sections 5096, 5097, and 5161 of, to amend and renumber Section 5108 of, to add Sections 5097.02 and 5097.03 to, to add Article 2 (commencing with Section 5140) and Article 2.5 (commencing with Section 5150) to Chapter 5 of Part 9 of Division 1 of, to repeal Sections 5098, 5103, 5104, 5105, and 5105.5 of, and to repeal Article 2 (commencing with Section 5136) of Chapter 5 of Part 9 of Division 1 of, the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976.]

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

SECTION 1. Section 5096 of the Revenue and Taxation Code is amended to read:

5096. On order of the board of supervisors, any taxes paid before or after delinquency shall be refunded if they were:

(a) Paid more than once.

(b) Erroneously or illegally collected.

(c) Illegally assessed or levied.

(d) Paid on an assessment in excess of the ratio of assessed value to the full value of the property as provided in Section 401 by reason of the assessor's clerical error or excessive or improper assessments attributable to erroneous property information supplied by assessee.

(e) Paid on an assessment of improvements when the improvements did not exist on the lien date.

(f) Paid on an assessment in excess of the equalized value of the property as determined pursuant to Section 1611 or Section 1760 by the county board of equalization.

SEC. 2. Section 5097 of the Revenue and Taxation Code, as amended by Chapter 224 of the Statutes of 1975, is amended to read:

5097. No order for a refund under this article shall be made except on a claim:

(a) Verified by the person who paid the tax, his guardian, executor, or administrator.

(b) Filed within four years after making of the payment sought to be refunded or within one year after the mailing of notice as prescribed in Section 2635, whichever is later.

An application for a reduction in an assessment filed pursuant to Section 1603 shall also constitute a sufficient claim for refund under this section if the applicant states in the application that the application is intended to constitute a claim for refund. If the applicant does not so state, he may thereafter and within the period provided in subdivision (b) file a separate claim for refund of taxes extended on the assessment which applicant applied to have reduced pursuant to Section 1603 or Section 1604.

SEC. 3. Section 5097.02 is added to the Revenue and Taxation Code, to read:

5097.02. The claim shall be in writing, specifying:

(a) Whether the whole assessment is claimed to be void or, if only a part, what portion.

(b) The grounds on which the claim is founded.

SEC. 4. Section 5097.03 is added to the Revenue and Taxation Code, to read:

5097.03. When a claim for refund of taxes is filed, the amount of tax computed on the portion of the assessment not in dispute shall not be impounded.

SEC. 5. Section 5098 of the Revenue and Taxation Code is repealed.

SEC. 6. Section 5103 of the Revenue and Taxation Code is repealed.

SEC. 7. Section 5104 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 5105 of the Revenue and Taxation Code is repealed.

SEC. 9. Section 5105.5 of the Revenue and Taxation Code is repealed.

SEC. 10. Section 5108 of the Revenue and Taxation Code is amended and renumbered to read:

5151. Interest at the rate of 6 percent per annum shall be paid, when such interest is ten dollars ($10) or more, on amounts refunded under Section 5096.3 or 5096.7, or refunded as a result of the reduction of assessed value following an application for equalization by a board of equalization or by a court action to recover taxes. However, no interest shall be paid under the provisions of this section if the taxpayer has been given the notice required by Section 2635 and has failed to apply for the refund within 30 days after the mailing of such notice.

Interest allowed under this section shall be computed from the date of the recording of the deed to the public agency acquiring the property in eminent domain to the date of the filing of the claim for refund, or from the date of the payment of the tax on property subject to an application for equalization of the assessed value thereof to the date of the determination of the equalized value of the property; provided, however, that no interest shall be paid under the provisions of this section if such period of time is 30 days or less.

The interest charged shall be apportioned to the appropriate funds, as determined by the county auditor.

SEC. 11. Article 2 (commencing with Section 5136) of Chapter 5 of Part 9 of Division 1 of the Revenue and Taxation Code is repealed.

SEC. 12. Article 2 (commencing with Section 5140) is added to Chapter 5 of Part 9 of Division 1 of the Revenue and Taxation Code, to read:

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Article 2. Refund Actions by Taxpayers

5140. The person who paid the tax, his guardian, the executor of his will, or the administrator of his estate may bring an action in the superior court against a county or a city to recover a tax which the board of supervisors of the county or the city council of the city has refused to refund on a claim filed pursuant to Article 1 (commencing with Section 5096) of this chapter. No other person may bring such an action; but if another should do so, judgment shall not be rendered for the plaintiff.

5141. An action brought under this article shall be commenced within six months from and after the date that the board of supervisors or city council rejects a claim for refund in whole or in part.

If an applicant for the reduction of an assessment states in the application that the application is intended to constitute a claim for refund pursuant to Section 5097, the claim for refund shall be deemed denied on the date the final installment of the taxes extended on such assessment becomes delinquent or on the date the equalization board makes its final determination on the application, whichever is later.

5142. No action shall be commenced or maintained under this article unless a claim for refund has first been filed pursuant to Article 1 (commencing with Section 5096) of this chapter.

No recovery shall be allowed in any such action upon any ground not specified in the claim.

5143. If a claim for refund relates only to the validity of a portion of an assessment, an action may be brought under this article only as to that portion.

5144. If the court finds that an assessment is void in whole or in part, it shall render judgment for the plaintiff for the amount of the taxes paid on that portion of the assessment that is found to be void. The taxes paid on the portion of the assessment not found to be void shall constitute valid taxes which, if paid after delinquency, shall carry penalties, interest, and costs.

5145. (a) Notwithstanding the fact that all taxes on property have not been paid in full, the owner of such property may bring an action under Section 5140 at any time within six months after the rejection of a claim for the first installment under an installment plan of redemption pursuant to Article 2 (commencing with Section 4216) of Chapter 2 of Part 7 of this division, if the following requirements are satisfied:

(1) The first installment payment is made within six months of the delinquency of the taxes being paid by installments.

(2) If the balance of the unpaid tax liability remaining after the first installment payment has been made, plus penalties and interest thereon to the date of filing the actions, exceeds 66⅔ percent of the full value of the property on which the taxes are a lien, as of the last equalized assessment roll, the taxpayer shall post a bond with the

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county tax collector in a sum equal to such excess or, in the alternative, pledge other property with the county tax collector in such amount as security. The requirement for a bond or additional security specified in this paragraph shall terminate when the balance of unpaid tax liability remaining after a subsequent installment payment, plus penalties and interest thereon to the date of such subsequent installment payment, no longer exceeds 66⅔ percent of the full value of the property on which the taxes are a lien, as of the last equalized assessment roll. However, a new bond shall be posted or property pledged if, during the pendency of the action, the balance of unpaid tax liability, plus penalties and interest thereon, again exceeds 66⅔ percent of such full value.

(b) The right to maintain an action under this section shall terminate if there is a default of any obligation by the owner in the installment plan of redemption on the property.

(c) If the owner does not recover the amount of taxes in dispute in an action brought under this section, he shall pay additional interest to the county or city equal to the difference between the interest he has paid under Article 2 (commencing with Section 4216) of Chapter 3 of Part 7 of this division and the amount of interest the county or city would have earned on the funds in the impound account on the entire amount of tax determined by the court to be due, if such amount had been paid in equal installments on the tax delinquency dates.

5146. All courts wherein actions brought under this article are or hereafter may be pending shall give such actions precedence over all other civil actions therein, except actions to which special precedence is given by law, in the matter of setting same for hearing or trial, and in hearing the same, to the end that all such actions shall be quickly heard and determined.

5147. No such action hereafter commenced shall be further prosecuted, and no further proceedings shall be had therein, and all such actions hereafter commenced must be dismissed by the court in which the same shall have been commenced, on its own motion, or on the motion of any defendant therein unless the summons shall have been issued and served and the return thereon made within one year after the commencement of said action, except where the parties have filed a stipulation in writing that the time may be extended.

5148. If all or any portion of the taxes sought to be recovered were collected by officers of the county for a city, an action must be brought against the city for the recovery of such taxes and judgment must be sought against the city. Where actions are brought against both a county and a city such actions may be joined in one complaint.

If all or part of the taxes sought to be recovered were levied on state-assessed property, property which the board has found ineligible for the welfare exemption pursuant to Section 254.5 of the Revenue and Taxation Code, or property as to which the board has reviewed the assessment pursuant to Section 11 of Article XIII of the

Constitution, the board shall be joined as a party to the action.

5149. Any city for which county officers collect taxes may provide for the defense by counsel for the county of actions brought against the city under this article, in which event it shall be the duty of such counsel to defend such actions, or the city may provide that such actions shall be defended by its own counsel.

5149.5. Where the taxes sought to be recovered have been paid after delinquency, the amount of penalties, interest or costs recoverable in actions brought under this article shall be computed only on the taxes recovered.

SEC. 13. Article 2.5 (commencing with Section 5150) is added to Chapter 5 of Part 9 of Division 1 of the Revenue and Taxation Code, to read:

Article 2.5. Interest on Refunds

5150. In an action in which the recovery of taxes is allowed by the court, the plaintiff is entitled to interest on the taxes for which recovery is allowed at a rate of 6 percent per annum from the date of filing of the claim for refund, but in no event earlier than the date of payment of the tax or installments thereof sought to be refunded, to the date of entry of judgment, and such accrued interest shall be included in the judgment. This section shall also apply to any action for the recovery of taxes in which the plaintiff is a city.

This section shall not apply to taxes which became due and payable before March 1, 1977. Interest on taxes which became due and payable before March 1, 1977, shall be subject to the provisions on payment of interest in effect prior to January 1, 1977.

SEC. 14. Section 5161 of the Revenue and Taxation Code is amended to read:

5161. (a) Any action to recover taxes pursuant to Article 2 (commencing with Section 5140) by any county, city and county, or municipal corporation shall be brought and tried in any county other than the plaintiff or the county in which the plaintiff is situated and other than the defendant or the county in which defendant is situated.

(b) No judge of the superior court in the plaintiff county or the county in which the plaintiff is situated or in the defendant county or the county in which the defendant is situated shall sit or act in any action brought pursuant to this section.

(1) Any party to or any attorney appearing in any such action may establish such disqualification by an oral or written motion without notice supported by affidavit that the judge before whom such action is pending or to whom it is assigned is disqualified by virtue of this section. Where the judge assigned to or who is scheduled to try the cause or hear the matter is known at least 10 days before the date set for trial or hearing, the motion shall be made at least five days before that date. If directed to the trial of a cause where there is a master calendar, the motion shall be made to the judge supervising the

master calendar not later than the time the cause is assigned for trial. In no event shall any judge entertain such motion if it be made after the making of an opening statement by counsel for plaintiff, or if there be no such statement, then after swearing in the first witness or the giving of any evidence or after trial of the cause has otherwise commenced. If the motion is directed to a hearing (other than the trial of a cause), the motion must be made not later than the commencement of the hearing. In the case of trials or hearings not herein specifically provided for, the procedure herein specified shall be followed as nearly as may be.

(2) If such motion is duly presented and such affidavit is duly filed, thereupon and without any further act or proof, the judge supervising the master calendar, if any, shall assign some other judge to try the cause or hear the matter. In other cases, the trial of the cause or the hearing of the matter shall be assigned or transferred to another judge of the court in which the trial or matter is pending or, if there is no other judge of the court in which the trial or matter is pending, the chairman of the judicial council shall assign some other judge to try such cause or hear such matter as promptly as possible. Under no circumstances shall a party or attorney be permitted to make more than one such motion in any one action pursuant to this section; and in actions where there may be more than one plaintiff or similar party or more than one defendant or similar party appearing in the action, only one motion for each side may be made in any one action or special proceeding.

(3) Unless required for the convenience of the court or unless good cause is shown, a continuance of the trial or hearing shall not be granted by reason of the making of a motion under this section. If a continuance is granted, the cause or matter shall be continued from day to day or for other limited periods upon the trial or other calendar and shall be reassigned or transferred for trial or hearing as promptly as possible.

SEC. 14.5. There is no reimbursement under Section 2231 of the Revenue and Taxation Code required by this bill because there are no duties, obligations or responsibilities imposed upon local governmental entities.

SEC. 15. The provisions of this act shall be operative with respect to taxes which become due and payable on or after the lien date in 1977.

CHAPTER 500

An act to add Section 148.2 to, and to amend Section 148.3 of the Welfare and Institutions Code, relating to solicitations.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976]

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

SECTION 1. Section 148.3 of the Welfare and Institutions Code is amended to read:

148.3. It shall be unlawful for any association of persons to engage, directly or indirectly, in soliciting donations of salvageable personal property, or in selling salvageable personal property obtained by soliciting, except an association which is exempt under Section 23701d or 23701f of the Revenue and Taxation Code from any tax imposed by the Bank and Corporations Tax Law.

SEC. 2. Section 148.2 is added to the Welfare and Institutions Code, to read:

148.2. Any organization qualified under Section 148.3 to solicit donations of salvageable personal property, or to sell salvageable personal property obtained by soliciting, shall: (a) maintain separate bank accounts and separate books and records for such solicitations or sales, and shall not commingle any proceeds of such solicitations or sales with any other assets; and (b) fully comply with the provisions of the Uniform Supervision of Trustees for Charitable Purposes Act (Article 7 of Chapter 6 (commencing with Section 12580) of the Government Code).

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 501

An act to add Chapter 3 (commencing with Section 99150) to Part 11 of Division 10 of the Public Utilities Code, relating to transit districts.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976.]

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

SECTION 1. Chapter 3 (commencing with Section 99150) is added to Part 11 of Division 10 of the Public Utilities Code, to read:

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99150. In locating its bus stops, park and ride service facilities, and special service terminal points and stations, a transit district shall consult with, and consider the recommendations of, the city if such transit facilities are to be located therein, or the county if such transit

facilities are to be located in the unincorporated area thereof, on the proposed locations.

The city or county, as the case may be, in making its recommendations to the transit district on the proposed location of any such transit facilities, shall consider whether the proposed location is consistent with the circulation element of its general plan.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section, nor shall there be any appropriation made by this act, because duties, obligations, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 502

An act making an appropriation for the state park system.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976.]

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

SECTION 1. The sum of six hundred fifty thousand dollars ($650,000), is hereby appropriated from the Bagley Conservation Fund to the Department of Parks and Recreation for the acquisition of Carma Ranch-El Matador Beach in Los Angeles County for the state park system.

SEC. 2. All of the unencumbered balance of the sum of six hundred fifty thousand dollars ($650,000), which was reappropriated from the Bagley Conservation Fund to the Department of Parks and Recreation by subdivision (dd) of Section 1 of Chapter 1521 of the Statutes of 1974, shall not be available for expenditure for the purpose stated therein and is hereby reappropriated to the department for the acquisition of Carma Ranch-El Matador Beach in Los Angeles County for the state park system.

SEC. 3. None of the funds appropriated or reappropriated by Sections 1 and 2 shall be available for expenditure unless and until not less than one-half of the amount, to be derived by subtracting the total of the funds appropriated or reappropriated by Sections 1 and 2 from the total cost of acquiring Carma Ranch-El Matador Beach, is contributed by the State of California with grant moneys received by the state pursuant to the Land and Water Conservation Fund Act of 1965 (P.L. 88-578; 78 Stat. 897).

Further, none of the funds appropriated or reappropriated by Sections 1 and 2 shall be expended on the purchase price of any real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have

been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for postaudit on a selective basis by the Attorney General.

SEC. 4. Such acquisition shall be subject to the provisions of the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code).

CHAPTER 503

An act to amend Section 690.2 of the Code of Civil Procedure, relating to execution.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976.]

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

SECTION 1. Section 690.2 of the Code of Civil Procedure is amended to read:

690.2. One motor vehicle with a value not exceeding five hundred dollars ($500), over and above all liens and encumbrances on such motor vehicle. If the value, over and above all liens and encumbrances, exceeds five hundred dollars ($500), the vehicle shall be subject to execution only to the extent its value exceeds five hundred dollars ($500). The value of the motor vehicle shall be determined by reference to the established used car price guides customarily used by California automobile dealers or, if not listed in such guides, by the fair market value for a motor vehicle of that year and model.

In the event of execution sale, the proceeds of the sale must be applied in the following order of priority: first, to the seller or the mortgagee pursuant to subdivision (1) of Section 689c; second, to the debtor to the amount of the motor vehicle exemption; and third the balance, if any, in accord with subdivision (2) of Section 689c. Further, the money paid to the debtor shall be entitled, for a period of three months thereafter, to the same protection against legal process which the law gives to the motor vehicle exemption.

CHAPTER 504

An act to add Section 9004 to the Unemployment Insurance Code, to amend Sections 14144 and 15201 of, and to add Sections 22, 23, 24, 10053.20, 10908, 10909, 11017.1, Article 5 (commencing with Section 11170) to Chapter 1 of Part 3 of Division 9 of, Sections 12307, 12351,

12401, 14101.1, 14123.1, 14110.3, 14159.1, 15206, 15207, 16115.5, 16120.5, 16512, 18917, 18951, 18952, 18953, and 18959 to, the Welfare and Institutions Code, to amend Section 4 of Chapter 871 of the Statutes of 1974, and to repeal Section 2 of Chapter 69 of the Statutes of 1968, Section 2 of Chapter 1322 of the Statutes of 1968, Section 2 of Chapter 1399 of the Statutes of 1968, Section 4 of Chapter 994 of the Statutes of 1969, Section 3 of Chapter 998 of the Statutes of 1969, Sections 10 and 11 of Chapter 1283 of the Statutes of 1969, Section 54 of Chapter 577 of the Statutes of 1971, Section 7 of Chapter 32 of the Statutes of 1972, Section 2 of Chapter 1022 of the Statutes of 1972, Section 19 of Chapter 1148 of the Statutes of 1972 as amended by Chapter 1202 of the Statutes of 1973, Sections 1, 2, 3, 4, 5, and 6 of Chapter 585 of the Statutes of 1973, Section 11 of Chapter 1203 of the Statutes of 1973, Sections 141 and 142 of Chapter 1206 of the Statutes of 1973, Sections 438 and 439 of Chapter 1212 of the Statutes of 1973, Section 8 of Chapter 1213 of the Statutes of 1973, Sections 72, 73, and 77 of Chapter 1216 of the Statutes of 1973, Sections 16 and 19 of Chapter 75 of the Statutes of 1974, Sections 3, 4, 5 and 6 of Chapter 309 of the Statutes of 1974, Section 3 of Chapter 1531 of the Statutes of 1974, Section 22.5 of Chapter 924 of the Statutes of 1975, Section 15 of Chapter 1129 of the Statutes of 1975 and Section 3 of Chapter 1268 of the Statutes of 1975, relating to welfare, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 19, 1976 Filed with Secretary of State August 20, 1976]

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

SECTION 1. Section 9004 is added to the Unemployment Insurance Code, to read:

9004. Upon receipt of a formal ruling from the Secretary of Labor, the Secretary of Health, Education, and Welfare, or the head of any federal agency that any provision of Chapter 1206 of the Statutes of 1973 or Chapter 1212 of the Statutes of 1973 cannot be given effect without causing the state's plan to be out of conformity with federal requirements or would result in decertification of provisions of the Unemployment Insurance Code and notification of intention to withdraw federal funds from the state, such provision shall become inoperative to the extent that it is not in conformity with federal requirements.

SEC. 2. Section 22 is added to the Welfare and Institutions Code, to read:

22. Whenever in any provision of law there is a reference to Chapter 1 (commencing with Section 7000) of Division 7 of the Welfare and Institutions Code or Chapter 2 (commencing with Section 1400) of Division 2 of the Health and Safety Code, if it applies to a health facility, it shall be deemed to mean Chapter 2 (commencing with Section 1250) of Division 2 of the Health and

Safety Code or if it applies to a community care facility, it shall be deemed to mean Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code.

SEC. 3. Section 23 is added to the Welfare and Institutions Code, to read:

23. Whenever in any provision of law there is a reference to Chapter 1 (commencing with Section 7000) of Division 7 of the Welfare and Institutions Code relating to community care facilities as defined by Section 1500 of the Health and Safety Code or Chapter 1 (commencing with Section 16000) of Part 4 of Division 9 of the Welfare and Institutions Code or to Chapter 3 (commencing with Section 16200) of Part 4 of Division 9 of the Welfare and Institutions Code, it shall be deemed to mean Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code.

SEC. 4. Section 24 is added to the Welfare and Institutions Code, to read:

24. The provisions of Chapter 1129 of the Statutes of 1975 amending Sections 17.1, 739, 883, 1050, 1711, 1760.4, 10000, 10617, 11250.5, 11307, 11310, 11325, 17102 and 18907 shall be operational to the extent they are not in conflict with federal law.

SEC. 5. Section 10053.20 is added to the Welfare and Institutions Code, to read:

10053.20. It is the intent of the Legislature that all persons eligible for family planning services under the Federal Economic Opportunity Act, Title IV-A of the Social Security Act, and Title X of the U.S. Public Health Service Act as of the effective date of this act shall continue to be provided services notwithstanding changes in federal regulations.

SEC. 6. Section 10908 is added to the Welfare and Institutions Code, to read:

10908. Any officers and employees of the Department of Social Welfare performing a function on January 1, 1970, that is transferred to the State Personnel Board, shall, pursuant to Section 19370 of the Government Code, be transferred to the State Personnel Board.

SEC. 7. Section 10909 is added to the Welfare and Institutions Code, to read:

10909. All regulations prior to January 1, 1970, adopted by the State Department of Social Welfare under Welfare and Institutions Code Section 10901 shall remain in effect and shall be enforceable by the State Personnel Board until amended, repealed, or otherwise superseded by regulations adopted by the State Personnel Board.

SEC. 8. Section 11017.1 is added to the Welfare and Institutions Code, to read:

11017.1. Notwithstanding the provisions of Section 11017, the State Department of Social Welfare, at the next computation of annual cost-of-living adjustments for public assistance payments on and after August 28, 1969, under Part 3 (commencing with Section 11000) of Division 9 of the Welfare and Institutions Code, shall make all such adjustments to the nearer fifty cents ($0.50) in order that all

future grant computations and payments may be made to the nearer dollar. Thereafter subsequent cost-of-living adjustments shall be made to the nearer dollar.

SEC. 9. Article 5 (commencing with Section 11170) is added to Chapter 1 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 5. Recipients' Property Tax

11170. Upon discovery that persons receiving public assistance were improperly granted homeowners' exemptions for fiscal year 1972–1973 and preceding fiscal years, a county may request from the Director of Social Welfare, as unmet shelter needs, the amounts required to cancel any escape assessment existing at the time of the request.

11171. Upon receipt of funds pursuant to its request, the county shall cancel the escape assessment and any penalty or interest thereon pursuant to Article 1 (commencing with Section 4985) of Chapter 4 of Part 9 of Division 1 of the Revenue and Taxation Code, as if it had been imposed, levied, or charged erroneously, and if paid, a refund thereof shall be made.

11172. The receipt of funds shall be deemed as payments by the public assistance recipients and shall be accounted for as tax receipts which may be used for state, county, city, and district purposes.

11173. If an audit by the State Controller results in a reduction of state reimbursements for the homeowners' property tax exemption because of persons described in Section 11170, the county shall make the reimbursements to cities and districts without regard to the Controller's reduction, using the funds described in Sections 11171 and 11172.

11174. The Legislature finds and declares that it is in the public interest and necessary for the public welfare to provide assistance to certain needy persons of limited income and resources in the payment of delinquent property taxes. It is further found and declared that such assistance may in some cases be most appropriately provided through the limitation of escape assessments and the cancellation of such assessments, or by a combination of limitation or cancellation, and assistance payments, rather than merely through assistance payments.

11175. Whenever a county requests additional unmet shelter needs funds so as to cancel escape assessments upon the homes of welfare recipients improperly granted the homeowners' exemption, such request is deemed a voluntary act of the county and the county shall assume the burden of all the costs in compliance with this act. For this reason, the act involves no mandated acts within the meaning of Section 2164.3 of the Revenue and Taxation Code and no state reimbursement pursuant to that section is required.

SEC. 10. Section 12307 is added to the Welfare and Institutions Code, to read:

12307. The amendments to Sections 12302, 12303 and 12304 of, and the addition of Sections 12303.5 and 12304.5 to, the Welfare and Institutions Code made by Chapter 75 of the Statutes of 1974 do not constitute a change in, but are declaratory of, the preexisting law.

SEC. 11. Section 12351 is added to the Welfare and Institutions Code, to read:

12351. In order to conserve state enforcement funds and because of hardships under past law on the operative date of this act there is hereby released, rescinded, canceled, and otherwise nullified in whole, any sums due or owing and which yet remain unpaid from a responsible relative under Article 3 (commencing with Section 12100) of Chapter 3 of Part 3 of Division 9 of this code as in effect prior to January 1, 1974, to the state and counties; provided that such responsible relative begins and continues until January 1, 1976, to perform in compliance with the provisions of Article 8 (commencing with Section 12350) of Chapter 3 of Part 3 of Division 9 of this code as in effect from January 1, 1974, to January 1, 1976, inclusive.

Nothing in this section shall be construed to give to any responsible relative any right whatever to recover from an applicant, recipient, or county or the state any sum already actually and properly paid by the responsible relative prior to January 1, 1974.

SEC. 12. Section 12401 is added to the Welfare and Institutions Code, to read:

12401. Notwithstanding anything contained in Chapter 1216 of the Statutes of 1973, Butte County's share under Section 12400 of the Welfare and Institutions Code shall be 45 percent of six hundred seventy thousand two hundred fifty-one dollars ($670,251) for the fiscal year 1973–74.

SEC. 13. Section 14101.1 is added to the Welfare and Institutions Code, to read:

14101.1. The department shall enter into an agreement with the Secretary of Health, Education and Welfare under which such secretary will determine eligibility for Medi-Cal in the case of aged, blind or disabled persons under this state's medical assistance plan approved under Title XIX of the Social Security Act. The state shall pay the Secretary of Health, Education and Welfare an amount equal to one-half of the cost of carrying out the agreement, but in computing such cost with respect to individuals eligible for benefits under Title XVI of the Social Security Act, such payment shall include only those costs which are additional to the costs incurred in carrying out such title.

SEC. 14. Section 14123.1 is added to the Welfare and Institutions Code, to read:

14123.1. Subdivision (a) of Section 14123 as added by Section 2 of Chapter 994 of the Statutes of 1969 does not constitute a change in, but is declaratory of, the preexisting law, and shall be construed merely as providing a specific statutory basis for suspension.

SEC. 15. Section 14110.3 is added to the Welfare and Institutions Code, to read:

14110.3. Until the Secretary of Health, Education and Welfare establishes, by regulation, standards in accordance with Title XIX of the Federal Social Security Act for intermediate care facilities, there shall be no requirement for the provision of intermediate care in nursing homes; however, a nursing home may elect to waive the provisions of this section and voluntarily apply to the department to provide intermediate care in its facility.

SEC. 16. Section 14159.1 is added to the Welfare and Institutions Code, to read:

14159.1. The provisions of Chapter 577 of the Statutes of 1971 in no way eliminate fiscal obligation incurred prior to July 1, 1971, by any county or the state under Article 5 (commencing with Section 14150) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code. After June 30, 1971, all uncollected county share amounts under said Article 5 due the state for prior periods remain an obligation of the county to the state.

SEC. 17. Section 14144 of the Welfare and Institutions Code is amended to read:

14144. The provisions of this article do not apply to indigent dialysis patients who are otherwise eligible for Medi-Cal or to any person eligible for renal dialysis under the provisions of Public Law 92-603 (H.R. 1).

SEC. 18. Section 15201 of the Welfare and Institutions Code is amended to read:

15201. There is hereby continuously appropriated out of any moneys in the State Treasury not otherwise appropriated to the department for allocation to the Secretary of the Department of Health, Education and Welfare for payment of an amount equal to the amount of any grants made by the secretary as supplemental payments to aged, blind or disabled persons under the provisions of Chapter 3 (commencing with Section 12000) of this part, less amounts payable by the federal government pursuant to Section 401 of Title IV of the Social Security Act Amendments of 1972.

The amendment of this section by Chapter 871 of the Statutes of 1974 does not constitute a change in, but is declaratory of, the preexisting law.

SEC. 19. Section 15206 is added to the Welfare and Institutions Code, to read:

15206. The department is hereby authorized to establish those administrative support positions necessary to carry out the provisions of Chapter 924 of the Statutes of 1975. These positions shall be 75 percent federally funded and 25 percent state funded.

SEC. 20. Section 15207 is added to the Welfare and Institutions Code, to read:

15207. The county shall estimate the social security increases for the month of October and such estimated increase shall be taken into consideration in determining eligibility for and the amount of the October 1, 1972, grant for recipients of aid under Chapter 5 (commencing with Section 13000) of Part 3 of Division 9 of the

Welfare and Institutions Code.

SEC. 21. Section 16115.5 is added to the Welfare and Institutions Code, to read:

16115.5. It is not the intent of Chapter 1725 of the Statutes of 1971 to increase expenditures but to provide for temporary payments to selected adoptive parents in the same way that such persons would be eligible to receive aid payments if they were to apply for a boarding home license.

SEC. 22. Section 16120.5 is added to the Welfare and Institutions Code, to read:

16120.5. The provisions of Section 16120 as amended by Chapter 1268 of the Statutes of 1975 shall apply to all hard-to-place children who were adopted either prior to or on or after January 1, 1976, under this chapter.

SEC. 23. Section 16512 is added to the Welfare and Institutions Code, to read:

16512. Nothing contained in Chapter 69 of the Statutes of 1968 shall preclude the Legislature from adopting other priorities for the use of child welfare service funds as may be set forth in the Budget Act.

SEC. 24. Section 18917 is added to the Welfare and Institutions Code, to read:

18917. Effective July 1, 1974, there is hereby appropriated, out of any moneys in the State Treasury not otherwise appropriated, the nonfederal share of the costs of administering the food stamp program under this chapter above the costs incurred by the counties in calendar year 1973.

SEC. 25. Section 18951 is added to the Welfare and Institutions Code, to read:

18951. This chapter and Section 306.6 of the Health and Safety Code shall be known as the California Child Abuse Prevention Act of 1974.

SEC. 26. Section 18952 is added to the Welfare and Institutions Code, to read:

18952. The provisions of this chapter and Section 306.6 of the Health and Safety Code shall be operative only for and during such times as federal funds are provided or made available for the purposes of such provisions.

SEC. 27. Section 18953 is added to the Welfare and Institutions Code, to read:

18953. The provisions of this chapter and Section 306.6 of the Health and Safety Code shall remain in effect only until December 31, 1979, and as of such date is repealed, unless a later enacted statute which is chaptered before December 31, 1979, deletes or extends such date.

SEC. 28. Section 18959 is added to the Welfare and Institutions Code, to read:

18959. The Office of Child Abuse Prevention shall be funded pursuant to the Federal Child Abuse Prevention and Treatment Act.

SEC. 29. Section 2 of Chapter 69 of the Statutes of 1968 is repealed.

SEC. 30. Section 2 of Chapter 1322 of the Statutes of 1968 is repealed.

SEC. 31. Section 2 of Chapter 1399 of the Statutes of 1968 is repealed.

SEC. 32. Section 4 of Chapter 994 of the Statutes of 1969 is repealed.

SEC. 33. Section 3 of Chapter 998 of the Statutes of 1969 is repealed.

SEC. 34. Section 10 of Chapter 1283 of the Statutes of 1969 is repealed.

SEC. 35. Section 11 of Chapter 1283 of the Statutes of 1969 is repealed.

SEC. 36. Section 54 of Chapter 577 of the Statutes of 1971 is repealed.

SEC. 37. Section 7 of Chapter 32 of the Statutes of 1972 is repealed.

SEC. 38. Section 206 of Chapter 1022 of the Statutes of 1972 is repealed.

SEC. 39. Section 19 of Chapter 1148 of the Statutes of 1972 as amended by Chapter 1202 of the Statutes of 1973 is repealed.

SEC. 40. Section 1 of Chapter 585 of the Statutes of 1973 is repealed.

SEC. 41. Section 2 of Chapter 585 of the Statutes of 1973 is repealed.

SEC. 42. Section 3 of Chapter 585 of the Statutes of 1973 is repealed.

SEC. 43. Section 4 of Chapter 585 of the Statutes of 1973 is repealed.

SEC. 44. Section 5 of Chapter 585 of the Statutes of 1973 is repealed.

SEC. 45. Section 6 of Chapter 585 of the Statutes of 1973 is repealed.

SEC. 46. Section 11 of Chapter 1203 of the Statutes of 1973 is repealed.

SEC. 47. Section 141 of Chapter 1206 of the Statutes of 1973 is repealed.

SEC. 48. Section 142 of Chapter 1206 of the Statutes of 1973 is repealed.

SEC. 49. Section 438 of Chapter 1212 of the Statutes of 1973 is repealed.

SEC. 50. Section 439 of Chapter 1212 of the Statutes of 1973 is repealed.

SEC. 51. Section 8 of Chapter 1213 of the Statutes of 1973 is repealed.

SEC. 52. Section 72 of Chapter 1216 of the Statutes of 1973 is repealed.

SEC. 53. Section 73 of Chapter 1216 of the Statutes of 1973 is

repealed.

SEC. 54. Section 77 of Chapter 1216 of the Statutes of 1973 is repealed.

SEC. 55. Section 16 of Chapter 75 of the Statutes of 1974 is repealed.

SEC. 56. Section 19 of Chapter 75 of the Statutes of 1974 is repealed.

SEC. 57. Section 3 of Chapter 309 of the Statutes of 1974 is repealed.

SEC. 58. Section 4 of Chapter 309 of the Statutes of 1974 is repealed.

SEC. 59. Section 5 of Chapter 309 of the Statutes of 1974 is repealed.

SEC. 60. Section 6 of Chapter 309 of the Statutes of 1974 is repealed.

SEC. 61. Section 4 of Chapter 871 of the Statutes of 1974 is amended to read:

Sec. 4. The addition of Section 3 of the act enacted at the 1973–74 Regular Session of the Legislature does not constitute changes in, but is declaratory of, the preexisting law.

SEC. 62. Section 3 of Chapter 1531 of the Statutes of 1974 is repealed.

SEC. 63. Section 22.5 of Chapter 924 of the Statutes of 1975 is repealed.

SEC. 64. Section 15 of Chapter 1129 of the Statutes of 1975 is repealed.

SEC. 65. Section 3 of Chapter 1268 of the Statutes of 1975 is repealed.

SEC. 66. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the changes contemplated by this act will not conflict with any legislation that may be proposed during the 1976 portion of the 1975–76 session of the Legislature, it is necessary that this act take immediate effect.

CHAPTER 505

An act to amend Section 11475.1 of, and to add Section 25457.5 to, the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 19, 1976 Filed with Secretary of State August 20, 1976]

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

SECTION 1. Section 11475.1 of the Education Code is amended to read:

11475.1. For the purposes of this section a short-term class, exclusive of subdivision (a) of Section 11251 and Section 11484, is any class scheduled for less than a full quarter, semester, or other sessions as approved by the Chancellor of the California Community Colleges to meet the requirements of Section 17551.

Notwithstanding Section 11475, units of average daily attendance of students, including adults as defined in Section 5756, enrolled in credit and noncredit short-term classes qualifying for a state apportionment in the 1974–75, 1975–76, 1976–77, and 1977–78 school years shall be computed by dividing actual class hours of attendance by 525. The attendance of adults as defined in Section 5756 shall be kept separately from all other attendance.

This section shall remain in effect only until July 1, 1978, and is repealed as of that date.

Section 25457.5 is added to the Education Code, to read:

25457.5. A student who resides in nondistrict territory which will be annexed to a community college district effective July 1, 1976, shall be classified as a resident student of that community college district when he enrolls for the 1976 summer session even though such session begins prior to July 1st.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because duties, obligations, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act would affect student residency at community colleges for the 1976 summer session. For this reason it is essential that this act take effect immediately.

CHAPTER 506

An act to add Sections 16500.5 and 53635.5 to the Government Code, relating to the deposit of public funds.

[Approved by Governor August 19, 1976 Filed with Secretary of State August 20, 1976]

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

SECTION 1. Section 16500.5 is added to the Government Code, to read:

16500.5. For purposes of being an eligible bank for the safekeeping of moneys belonging to, or in the custody of, the state, the phrases "state or national bank located in this state", "state or national bank", "state or national bank in this state", and "state or national banks in the state" shall include a foreign banking corporation authorized, pursuant to the provisions of subdivision (c) of Section 1756 of the Financial Code, to transact in this state the business of accepting deposits.

SEC. 2. Section 53635.5 is added to the Government Code, to read:

53635.5. For purposes of being a depository of moneys belonging to or being in the custody of a local agency, the phrases "state or national bank located in this state", "state or national bank", "state or national bank in this state" and "state or national banks in the state" include a foreign banking corporation authorized, pursuant to the provisions of subdivision (c) of Section 1756 of the Financial Code, to transact in this state the business of accepting deposits.

CHAPTER 507

An act to amend Section 6815.2 of the Public Resources Code, relating to oil and gas.

[Approved by Governor August 19, 1976 Filed with Secretary of State August 20, 1976]

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

SECTION 1. Section 6815.2 of the Public Resources Code is amended to read:

6815.2. (a) Notwithstanding Section 6815.1, and to the extent permitted by federal law and the federal and state constitutions, the commission may take any oil, gas, or other hydrocarbons taken in kind by it, pursuant to any lease or agreement, and exchange it, by competitive bidding, for refined products which shall be allocated to state agencies and to other public agencies, if the State Energy Resources Conservation and Development Commission, established pursuant to Division 15 (commencing with Section 25000), after a public hearing, finds, in its judgment, that such retention and allocation is necessary to alleviate fuel shortage conditions or will effect a substantial cost saving to the state.

(b) The commission may make and enter into contracts or agreements for exchange of such oil, gas, and other hydrocarbons taken in kind for finished products required for use by state and other public agencies. Such contracts or agreements shall be entered into by competitive bids. The commission may reject all bids, if it

determines that they are not in the public interest.

(c) The commission shall charge the state or other public agencies allocated refined products the current market price of these products including all applicable taxes. This price shall not be less than the value of the oil, gas, or other hydrocarbons which would have been received by the state if not taken in kind. The revenue shall be subject to the terms and conditions enumerated in Section 6217. The taxes generated by these sales shall be distributed according to applicable provisions of the Revenue and Taxation Code.

(d) The refined products obtained from such exchange contracts or agreements shall be allocated to state agencies and to other public agencies in accordance with the regulations which shall be adopted, after a public hearing, by the State Energy Resources Conservation and Development Commission.

CHAPTER 508

An act to add Section 1802.19 to the Civil Code, relating to credit installment transactions.

[Approved by Governor August 19, 1976 Filed with Secretary of State August 20, 1976]

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

SECTION 1. Section 1802.19 is added to the Civil Code, to read:

1802.19. (a) For the purposes of this chapter, a retail installment contract, contract, retail installment account, installment account, or revolving account shall be deemed to have been made in this state and, therefore, subject to the provisions of this chapter, if either the seller offers or agrees in this state to sell to a buyer who is a resident of this state or if such buyer accepts or makes the offer in this state to buy, regardless of the situs of the contract as specified therein.

(b) Any solicitation or communication to sell, oral or written, originating outside of this state, but forwarded to, and received in this state by, a buyer who is a resident of this state, shall be deemed to be an offer or agreement to sell in this state.

(c) Any solicitation or communication to buy, oral or written, originating within this state, from a buyer who is a resident of this state, but forwarded to, and received by, a retail seller outside of this state, shall be deemed to be an acceptance or offer to buy in this state.

CHAPTER 509

An act to amend Section 24355.1 of the Government Code, relating to counties.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976.]

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

SECTION 1. Section 24355.1 of the Government Code is amended to read:

24355.1. The board of supervisors by ordinance may provide for the taking and subscribing of the affidavit required by either Section 24354 or Section 24355 by a deputy, designated agent or assistant of the officer.

CHAPTER 510

An act to repeal Section 13283 and to amend Section 13285 of the Public Utilities Code, relating to municipal utility districts.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976.]

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

SECTION 1. Section 13283 of the Public Utilities Code is repealed.

SEC. 2. Section 13285 of the Public Utilities Code is amended to read:

13285. Except as provided in this article, matters pertaining to the issuance of refunding bonds under this chapter shall be governed by Article 9 (commencing with Section 53550) and Article 10 (commencing with Section 53570), Chapter 3, Part 1, Division 2, Title 5 of the Government Code.

CHAPTER 511

An act to amend Section 12041 of the Food and Agricultural Code, relating to pest control.

[Approved by Governor August 19, 1976. Filed with Secretary of State August 20, 1976.]

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

SECTION 1. Section 12041 of the Food and Agricultural Code is amended to read:

12041. (a) There is in the department an Agricultural Pest Control Advisory Committee consisting of 12 members. The committee shall be appointed by the director and shall be composed of two pest control research specialists, one of whom shall specialize in biological control, and one agricultural extension service specialist nominated by the Regents of the University of California, and nine additional members, one each representing the following: the Trustees of the California State University and Colleges, the Board of Governors of the California Community Colleges, agricultural pest control advisers, licensed pest control operators, the State Department of Health, the Department of Fish and Game, producers as defined in Section 56110, the agricultural chemical industry, and the department.

(b) The first pest control research specialist who specializes in biological control shall be appointed to fill any vacancy on the committee which exists on January 1, 1977, or the first vacancy which occurs on or after that date, in the office of any pest control research specialist nominated by the Board of Regents of the University of California. If there are two such pest control research specialists serving on the committee on January 1, 1977, the change in the composition of the committee adding a pest control research specialist who specializes in biological control as a result of the amendments to this section by the Statutes of 1976 shall not occur until the first vacancy in the office of one of such pest control research specialists.

(c) The first representative of the Board of Governors of the California Community Colleges shall be appointed as soon as possible after January 1, 1977.

CHAPTER 512

An act to add Section 11450.2 to, and to amend Section 15200 of, the Welfare and Institutions Code, relating to care of foster children, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 20, 1976. Filed with Secretary of State August 20, 1976.]

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

SECTION 1. Section 11450.2 is added to the Welfare and Institutions Code, to read:

11450.2. Notwithstanding the limitations on state financial participations imposed by subdivision (b) of Section 11450, for fiscal year 1976–77 and subsequent years the state shall reimburse counties

for the nonfederal costs of providing an additional twelve dollars and fifty cents ($12.50) a month per eligible child to foster parents. In addition the state may, at its discretion, pay on a pro rata basis from funds specifically appropriated in the Budget Act additional aid for the adequate care of foster children receiving aid under subdivision (b) of Section 11450.

The financial benefit accruing from the additional funds available under this section shall be passed on to foster parents in order to more adequately reimburse foster parents for their expense, and to enable counties to more readily recruit and retain a selection of homes suited to the diversified needs of the individual child and the counties shall not substitute the additional state funds received under this section for county funds being expended for foster care at the time when this section takes effect.

SEC. 2. Section 15200 of the Welfare and Institutions Code is amended to read:

15200. There is hereby appropriated out of any money in the State Treasury not otherwise appropriated, and after deducting federal funds available, the following sums:

(a) To each county for the support and maintenance of needy children, 67.5 percent of the sums specified in Section 11450.

(b) To the department for the support and maintenance of needy children, the sum specified in Section 11403.

(c) To the department for the support and maintenance of needy children, the sum specified in Section 11450.2.

SEC. 1.5. There is hereby appropriated out of the General Fund in the State Treasury to the Department of Benefit Payments for the fiscal year 1976–77 the sum of two million dollars ($2,000,000) to reimburse counties for the nonfederal costs pursuant to Section 11450.2 of the Welfare and Institutions Code.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

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

In order that the monthly benefit payable to a child receiving Aid to Families with Dependent Children (AFDC) under a foster care program reflect the recent increases in the cost of living and provide a reasonable benefit amount, payable in part to foster parents, it is necessary that this act take immediate effect.

CHAPTER 513

An act to add Chapter 2.1 (commencing with Section 15813) to Part 10b of Division 3 of Title 2 of the Government Code, relating to fine art in public buildings.

[Approved by Governor August 20, 1976 Filed with Secretary of State August 20, 1976]

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

SECTION 1. Chapter 2.1 (commencing with Section 15813) is added to Part 10b of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 2.1. ART IN PUBLIC BUILDINGS

15813. The Legislature finds and declares that the State of California has a responsibility for expanding public experience with art. The Legislature recognizes that other states have enacted legislation requiring the expenditure of 1 percent of funds allocated for the construction of state buildings for works of art for such buildings.

15813.1. For purposes of this chapter, the following terms have the following meanings:

(a) "State buildings" includes state office buildings, hospitals, and prisons, and such other state buildings which the State Architect deems appropriate for the inclusion of art as provided in this chapter.

(b) "Work of art" means any work of visual art, including but not limited to, a drawing, painting, mural, fresco, sculpture, mosaic, or photograph, a work of calligraphy, a work of graphic art (including an etching, lithograph, offset print, silk screen, or a work of graphic art of like nature), crafts (including crafts in clay, textile, fiber, wood, metal, plastic, glass, and like materials), or mixed media (including a collage, assemblage, or any combination of the foregoing art media). The term "work of art" does not include environmental landscaping placed about a state building.

(c) "Council" means the Arts Council.

(d) "Acquisition" includes acquisition by purchase, lease, or commission.

15813.2. (a) Financing for works of art in state buildings shall be subject to an appropriation in the annual Budget Act. The Governor shall include a budget item for art in state buildings in the annual budget submitted to the Legislature.

(b) The annual appropriation shall be made to the Department of Finance for allocation to the State Architect.

(c) The State Architect may accept from the council any federal money made available to the council and may expend such funds for the purposes specified in this chapter.

15813.3. In order to carry out the purposes of this chapter, the State Architect shall do all of the following:

(a) (1) Determine and implement procedures for the purchase or lease by written contract of existing works of art from an artist or the artist's authorized agent. Works of art to be purchased or leased shall be selected by the State Architect from lists of works prepared and submitted by the council or by advisory committees empowered by the council. In making such purchases or in executing such leases, preference may be given to artists who are California residents. No lease obligation shall be incurred under the provisions of this chapter without the prior approval of the Department of Finance.

(2) Determine and implement procedures, one of which shall provide for competition among artists, for the selection and commissioning of artists by written contract to create works of art. Commissioned artists shall be selected by the State Architect from lists of qualified and available artists prepared and submitted by the council or by advisory committees empowered by the council. In making such contracts, preference may be given to artists who are California residents.

(3) If competition among artists is the procedure for selection of an artist pursuant to paragraph (2), a panel of three judges shall be appointed to make such selection. The panel shall consist of the State Architect or a person designated by the State Architect, a member of the council or a person designated by the council, and one person selected by the other two who shall be a visual artist, an architect or designer, a person employed by an art museum, or a collector of visual art. At least one judge on each panel shall be a working visual artist.

(b) Consult with each artist commissioned regarding the design and placement of a work of art.

(c) Ensure that works of art acquired pursuant to this chapter are placed in a manner so that they are within public view.

(d) Ensure that the program for acquisition of works of art pursuant to this chapter results in participation by many different artists and in acquisitions from among many of the different art forms referred to in subdivision (b) of Section 15813.1. A person who is, or is related to, a member of the council or is employed by the council, or a person related to or employed in the office of the State Architect may not be selected or commissioned pursuant to this chapter.

(e) Cooperate with other affected state agencies and consult with the artist to insure that each work of art acquired pursuant to this chapter is properly maintained and is not artistically altered in any manner without the consent of the artist.

(f) Promulgate rules and regulations, as necessary, in consultation with the council, and any other person, group, or association in the State of California related to architecture, design, or the arts, so as to facilitate the implementation of the State Architect's responsibilities under this chapter.

(g) Authorize payments to artists for works of art acquired

pursuant to this chapter.

15813.4. Except as otherwise provided in this chapter, the selection and commissioning of artists, and the purchase and execution of works of art for state buildings shall be exempt from the provisions of the State Contract Act and other state bidding requirements.

15813.5. (a) The state shall receive sole ownership of each work of art acquired pursuant to this chapter, including all tangible rights and privileges thereof, subject to the following intangible rights retained by the artist:

(1) The right to claim authorship of the work of art.

(2) The right to reproduce such work of art, including all rights to which the work of art may be subject under copyright laws. Such rights may be limited by written contract.

(3) If provided by written contract, the right to receive a specified percentage of the proceeds if the work of art is subsequently sold by the state to a third party other than as part of the sale of the building in which the work of art is located.

(b) The rights granted to the artist by subdivision (a) may by written contract be extended to such artist's heirs, assigns, or personal representatives, until after the end of the 20th year following the death of such artist.

(c) Prior to execution of a written contract, the artist shall be informed in writing of the rights specified in subdivisions (a) and (b) which may be granted by contract to the artist or to the artist's heirs, assigns, or personal representatives.

15813.6. In consultation with the State Architect, the council shall prepare and distribute to Members of the Legislature an annual report relative to the art in state buildings program pursuant to this chapter. Such report may be submitted as part of a report on the activities and programs of the council.

15813.7. If a work of art acquired pursuant to this chapter is to be sold by the state, such sale shall be made to the highest bidder, conditioned on the work of art first being offered to the artist at the bid price.

CHAPTER 514

An act to amend Section 14950 of the Government Code, relating to the State Architect.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976]

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

SECTION 1. Section 14950 of the Government Code is amended to read:

14950. There is in the Department of General Services a State Architect. He shall be appointed by the Governor with the approval of the Senate for a term of four years commencing with January 15 next following the general election at which a Governor is elected, and he shall hold office until appointment and qualification of his successor or until 150 days shall have elapsed since the expiration of the term for which he was appointed, whichever first occurs; but he may be dismissed by the Governor, with or without cause, at any time. The Governor may fill any vacancy in the office of State Architect for the unexpired portion of the term, but such appointment shall be subject to approval of the Senate at the next regular session of the Legislature.

No person shall be eligible for the office of State Architect who has not, for a period of five years next preceding his appointment, held a certificate to practice architecture in California issued by the California State Board of Architectural Examiners.

The State Architect shall not engage in the private practice of architecture or in a managing capacity in any private business or enterprise. The salary of the State Architect shall be as provided by Article 1 (commencing with Section 11550) of Chapter 6 of Part 1 of Division 3 of Title 2 of the Government Code.

CHAPTER 515

An act to amend Sections 19699.9 and 19700.51 of, and to add Sections 15518.2 and 19700.608 to, the Education Code, and to amend Sections 3 and 4 of Chapter 1203 of the Statutes of 1970, relating to school building aid, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 20, 1976. Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 15518.2 is added to the Education Code, to read:

15518.2. Notwithstanding the requirement, applicable after the 1974–75 fiscal year, of Section 15518 relative to the levying of a twenty-cent ($0.20) tax as a condition precedent to the levying of such a tax in subsequent years, a district having an approved application under the provisions of Section 19700.608 may levy a tax at a rate of not to exceed twenty cents ($0.20) per one hundred dollars ($100) of assessed valuation for the 1976–77 fiscal year, under the conditions otherwise prescribed by Section 15518, for matching funds for such application. The tax rate so levied shall have the same

effect for the purposes of Section 19700.748 as though the tax had been levied in the 1974–75 fiscal year.

SEC. 2. Section 19699.9 of the Education Code is amended to read:

19699.9. Not to exceed two million five hundred eighty-seven thousand seven hundred sixty-six dollars and fifty-one cents ($2,587,766.51) of the amount of the proceeds of bonds issued under the State School Building Aid Bond Law of 1974 and two million four hundred twelve thousand two hundred thirty-three dollars and forty-nine cents ($2,412,233.49) of the amount of the proceeds of bonds issued under the State School Building Aid Law of 1966 may be expended pursuant to this article. The funds shall be allocated by the State Allocation Board to a Joint Powers Board of Education for the construction of a permanent campus for a newly created regional occupation center school to be located in the south bay area of Los Angeles County, having a population in excess of 1,070,000, and a potential average daily attendance in excess of 10,000 persons. Not to exceed four hundred thousand dollars ($400,000) of such sum shall be allocated and expended for architectural and engineering services in connection with the construction.

Sections 19551 to 19555, inclusive, Sections 19559, 19562, and 19565, inclusive, of Article 1 (commencing with Section 19551) of this chapter shall be applicable to the administration of this article, unless the context of this article, as determined by the board, requires otherwise.

SEC. 3. Section 19700.51 of the Education Code is amended to read:

19700.51. Not to exceed forty million dollars ($40,000,000) of the proceeds of the sale of bonds authorized by the State School Building Aid Bond Law of 1966 may be expended pursuant to this article.

SEC. 4. Section 19700.608 is added to the Education Code, to read:

19700.608. Notwithstanding the provisions of Section 19700.60, apportionments may be made to a school district for the purpose of replacing an existing substandard building which formerly housed the district's high school, and which was subsequently replaced by a new high school building using an apportionment received under this chapter, but which continued to be used by the district for elementary school purposes from the time of completion of the new high school in the 1958–59 school year until November 1971, when the pupils were transferred from the unsafe school building to temporary structures.

SEC. 5. Section 3 of Chapter 1203 of the Statutes of 1970 is amended to read:

Sec. 3. An amount not to exceed two million five hundred thousand dollars ($2,500,000) from the proceeds of bonds issued pursuant to the State School Building Aid Bond Law of 1974 shall be expended for purposes of this act. The funds shall be expended under the administrative direction of the State Allocation Board in

cooperation with the officer or entity designated pursuant to Chapter 14 (commencing with Section 7450) of Division 6 of the Education Code, for the remodeling, expansion, or construction of vocational facilities for a newly created regional occupational center or regional occupational program to be located in Fresno County. Not to exceed two hundred fifty thousand dollars ($250,000) of such sum shall be allocated and expended for architectural and engineering services in connection with such remodeling, expansion, or construction.

Sections 19551 to 19555, inclusive, and Sections 19559, 19562, 19565, and 19699.10 of the Education Code shall be applicable to the administration of this act unless the context of this act, as determined by the State Allocation Board, requires otherwise. Except to the extent and for the purposes expressly provided in this act, the provisions of Chapter 10 (commencing with Section 19551) of Division 14 of the Education Code shall not be applicable hereto.

SEC. 6. Section 4 of Chapter 1203 of the Statutes of 1970 is amended to read:

Sec. 4. No expenditure of funds under this act shall be made, unless at an election called by the County Superintendent of Schools of Fresno County, two-thirds of the qualified electors of the county voting on a proposition therefor have authorized the officer or entity designated pursuant to Chapter 14 (commencing with Section 7450) of Division 6 of the Education Code to accept, expend, and repay an amount not to exceed two million five hundred thousand dollars ($2,500,000) from the proceeds of the State School Building Aid Bond Law of 1974.

SEC. 7. Notwithstanding any provision of Chapter 10 (commencing with Section 19551) of Division 14 of the Education Code, or any other provision of law, any conditional apportionment made under that chapter in an amount not to exceed six thousand dollars ($6,000) made to a district on September 15, 1975, which would require the issuance and sale of one hundred eight thousand dollars ($108,000) in bonds, may become final upon receipt of a certification by the county superintendent of schools that (1) such bonds have been sold prior to June 16, 1976, and that (2) the proceeds therefrom have been applied toward the reduction of prior apportionments.

This section shall remain operative until September 15, 1976, and as of that date ceases to be operative.

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

In order that a school district in which unique circumstances exist, may proceed to levy a twenty-cent ($0.20) tax during the 1976–77 fiscal year, as authorized by this act, to provide the matching funds needed to qualify for state school building aid in order to finance the replacement of existing substandard buildings for its elementary school pupils, it is essential that this act go into effect immediately.

CHAPTER 516

An act to add Section 924.6 to the Education Code, relating to governing boards of school districts.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 924.6 is added to the Education Code, to read:

924.6. There may be submitted to the governing board of a school district maintaining one or more high schools a student petition requesting the governing board to appoint one nonvoting student member to the board pursuant to this section.

The petition shall contain the signatures of either (a) not less than 500 students regularly enrolled in high schools of the district, or (b) not less than 10 percent of the number of students regularly enrolled in high schools of the district, whichever is less.

Upon receipt of such a petition, the governing board shall, commencing July 1, 1976, and each year thereafter, include within the membership of the governing board, in addition to the number of members otherwise prescribed, one nonvoting student member. Such student shall have the right to attend each and all meetings of the governing board, except executive sessions.

The student selected to serve as the nonvoting member of the governing board shall be enrolled in a high school of the district and shall be chosen by the students enrolled in the high school or high schools of the district in accordance with procedures prescribed by the governing board. The term of the student member shall be one year commencing on July 1 of each year.

A nonvoting student member shall be entitled to the mileage allowance prescribed by Section 968 to the same extent as regular members, but is not entitled to the compensation prescribed by Section 1231.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because duties, obligations, or responsibilities imposed on school districts by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 517

An act to amend Sections 40210 and 40227 of, to amend and renumber Section 40221 of, and to add Sections 40221 and 40221.5 to, the Health and Safety Code, relating to the Bay Area Air Pollution Control District.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 40210 of the Health and Safety Code is amended to read:

40210. The city selection committee organized in each county within the bay district pursuant to Article 11 (commencing with Section 50270), Chapter 1, Part 1, Division 1, Title 5 of the Government Code shall make the appointments to, and submit recommendations for appointments to, the bay district board as prescribed in Section 40221.5.

SEC. 2. Section 40221 of the Health and Safety Code is amended and renumbered to read:

40220.5. The bay district board shall be a board of directors consisting of members appointed pursuant to Section 40221.5 from each county included, in whole or in part, within the district on the basis of the population of that portion of the county, as determined by the latest estimate prepared by the Population Research Unit of the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code, included within the district.

SEC. 3. Section 40221 is added to the Health and Safety Code, to read:

40221. A county with a population of 300,000 or less shall appoint one member of the bay district board; a county with a population of 750,000 or less, but more than 300,000, shall appoint two members of the bay district board; a county with a population of 1,000,000 or less, but more than 750,000, shall appoint three members of the bay district board; and a county with a population of more than 1,000,000 shall appoint four members of the bay district board.

SEC. 4. Section 40221.5 is added to the Health and Safety Code, to read:

40221.5. (a) The members of the bay district board shall be appointed as follows:

(1) For a county entitled to appoint one member of the bay district board, the board of supervisors shall appoint either a member of the board of supervisors or a person from a list submitted to the board of supervisors by the city selection committee of that county.

(2) For a county entitled to appoint two members of the bay district board, the city selection committee of that county shall appoint one member and the board of supervisors shall appoint the

other member, which member may either be a member of the board of supervisors or a person on the list submitted to the board of supervisors by the city selection committee.

(3) For a county entitled to appoint three members of the bay district board, two members shall be appointed as provided in paragraph (2) and the third member shall be appointed by the board of supervisors and shall either be a member of the board of supervisors or a person on the list submitted to the board of supervisors by the city selection committee of that county.

(4) For a county entitled to appoint four members of the bay district board, the city selection committee of that county shall appoint two members and the board of supervisors shall appoint the other two members, either one or both of whom may be members of the board of supervisors or persons on the list submitted to the board of supervisors by the city selection committee.

(b) Any member of the bay district board appointed, and any person named on the list submitted to the board of supervisors, by the city selection committee shall be either a mayor or a city councilman of a city in that portion of the county included within the district.

SEC. 5. Section 40227 of the Health and Safety Code is amended to read:

40227. Each member of the bay district board shall receive the actual and necessary expenses incurred by him in the performance of his duties, and may receive compensation, to be determined by the bay district board, not to exceed fifty dollars ($50) for each day attending the meetings of the bay district board and committee meetings thereof, but such compensation shall not exceed one thousand eight hundred dollars ($1,800) in any one year.

SEC. 6. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

CHAPTER 518

An act to amend Sections 7721, 7722, and 7724 of, and to repeal Section 7723 of, the Labor Code, relating to tanks and boilers.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976]

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

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SECTION 1. Section 7721 of the Labor Code is amended to read:

7721. (1) The division may fix and collect fees for the shop inspection of tanks, boilers, and parts of tanks and boilers. Said fees shall be fixed in accordance with the size of the tank, the time required to make the inspection and the quantities so inspected. Such fees shall not in any event exceed twenty dollars ($20) per hour.

(2) The fee schedule of a maximum of twenty dollars ($20) per hour shall be applicable to consultations, surveys, audits, and other activities required or related to national standards concerning the design or construction of boilers or pressure vessels or for evaluating fabricator's plant facilities when such services are requested of the division by entities desiring such services.

SEC. 2. Section 7722 of the Labor Code is amended to read:

7722. The division may fix and collect fees for the field inspection of tanks and boilers. Such fees shall not exceed twenty dollars ($20) per hour.

The fees shall be reviewed biannually by the division and be adjusted to cover the cost of inspections. The division shall hold a public hearing at least two months before the effective date of the fee adjustment.

SEC. 3. Section 7723 of the Labor Code is repealed.

SEC. 4. Section 7724 of the Labor Code is amended to read:

7724. The division may fix and collect fees for the resale inspection of boilers and tanks. Such fees shall not exceed twenty dollars ($20) per hour.

CHAPTER 519

An act to add Section 6653.3 to the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976]

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

SECTION 1. Section 6653.3 is added to the Elections Code, to read:

6653.3. Notwithstanding Sections 6653 and 6659, any candidate who has been nominated at any primary election for superior court judge in which election there were at least two other candidates, and who has, after the date prescribed for the filing of declaration of candidacy and declaration of acceptance of nomination pursuant to Article 4 (commencing with Section 6490) of this chapter, been appointed to any federal or state office may request the county clerk to have his or her name removed from the ballot of the next ensuing general election. If such request is received by the county clerk at

least 59 days before the next ensuing general election, the county clerk shall remove such candidate's name from the ballot.

If a candidate's name is removed from the ballot pursuant to this section, the two remaining candidates who received the highest number of votes cast on all the ballots of all the voters participating in the primary election for nomination for that office of superior court judge, shall be the candidates for that office at the ensuing general election, and their names as candidates for that office shall be placed on the official ballot at the ensuing election.

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

In order that the provisions of this act may become operative at least 59 days before the general election of November 1976, it is necessary that this act take effect immediately.

CHAPTER 520

An act to add Sections 454.5 and 792.5 to the Public Utilities Code, relating to public utilities.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 454.5 is added to the Public Utilities Code, to read:

454.5. Whenever an electrical corporation requests a rate adjustment reflecting and passing through to customers a specific fuel cost increase, the commission may grant substantial but not complete rate relief. Substantial relief is defined as an amount not to exceed 80 percent of the rate adjustment request. Within 60 days of such request, a hearing shall be held and the balance of the rate relief request shall be granted if found by the commission to be justified.

SEC. 2. Section 792.5 is added to the Public Utilities Code, to read:

792.5. Whenever the commission authorizes any change in rates reflecting and passing through to customers specific changes in costs, except rates set for common carriers, the commission shall require as a condition of such order that the public utility establish and maintain a reserve account reflecting the balance, whether positive or negative, between the related costs and revenues, and the commission shall take into account by appropriate adjustment or other action any positive or negative balance remaining in any such reserve account at the time of any subsequent rate adjustment.

CHAPTER 521

An act to amend Section 18555 of the Revenue and Taxation Code, relating to personal income tax liability.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 18555 of the Revenue and Taxation Code is amended to read:

18555. (a) The spouse who controls the disposition of or who receives or spends community income as well as the spouse who is taxable on such income is liable for the payment of the taxes imposed by this part on such income.

(b) Where a joint return is filed by a husband and wife, the liability for the tax on the aggregate income is joint and several. Such liability may be revised by a court in a proceeding for dissolution of the marriage of such husband and wife, provided:

(1) The order revising tax liability may not relieve a spouse of tax liability on income earned by or subject to the exclusive management and control of the spouse. The liability of the spouse for the tax, penalties, and interest due for the taxable year shall be in the same ratio to total tax, penalties, and interest due for the taxable year as the income earned by or subject to the management and control of the spouse is to total gross income reportable on the return.

(2) The order revising tax liability:

(A) Must separately state the taxable years for which revision of tax liability is granted.

(B) Shall not revise a tax liability that has been fully paid prior to the effective date of the order; however, any unpaid amount may be revised.

(C) Shall become effective when the Franchise Tax Board is served with or acknowledges receipt of the order.

(D) Shall not be effective if the gross income reportable on the return exceeds fifty thousand dollars ($50,000) or the amount of tax liability the spouse is relieved of exceeds two thousand five hundred dollars ($2,500) unless a tax revision clearance certificate is obtained from the Franchise Tax Board and filed with the court.

CHAPTER 522

An act to add Section 25411.7 to the Education Code, relating to community colleges.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976]

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

SECTION 1. Section 25411.7 is added to the Education Code, to read:

25411.7. Notwithstanding any other provision of law, in any district which has annexed or annexes territory resulting in a proposal for a rearrangement of trustee areas and which holds an election pursuant to Section 25411.6 and a rearrangement of boundaries is approved by the voters, in the event that such rearrangement results in a trustee area having more or fewer than its allotted number of representatives, a governing board member representing a particular trustee area whose boundaries are rearranged so that he or she no longer resides within the trustee area may serve out his or her term of office as that area's representative. Succeeding representatives shall be selected in the manner provided by law.

CHAPTER 523

An act to amend Section 22601 of the Education Code, relating to the California State University and Colleges.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 22601 of the Education Code is amended to read:

22601. The board shall be composed of the following four ex officio members: the Governor, the Lieutenant Governor, the Superintendent of Public Instruction, and the person named by the trustees to serve as the Chancellor of the California State University and Colleges; and 16 appointive members appointed by the Governor and subject to confirmation by two-thirds of the Senate. There shall also be appointed by the Governor for a two-year term, a student from a California state university or college who shall have at least a junior year standing at the institution he or she attends, and shall remain in good standing as a student for the two-year term. In the selection of a student as a member of the board, the Governor shall appoint such student from a list of names of not more than five persons furnished by student representatives of each of the universities and colleges of the California State University and Colleges. The student representative of a university or college shall be the elected student body president or, in the case of a university or college not having an elected student body president, the person receiving the highest number of votes cast at a student body election held to select such student representative. Any appointment to fill

a vacancy of a student member shall be effective only for the remainder of the term of the person's office that became vacated. The Speaker of the Assembly shall be an ex officio member, having equal rights and duties with nonlegislative members.

CHAPTER 524

An act to add Section 8734 to the Health and Safety Code, relating to cemeteries.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 8734 is added to the Health and Safety Code, to read:

8734. The trustees or corporate trustee of an endowment care fund or one or more special care funds shall file a bond issued by an admitted surety with the Cemetery Board in the amount of fifty thousand dollars ($50,000) guaranteeing payment of damages occasioned by breach of the trustees' or corporate trustee's fiduciary duties. The trustees or corporate trustee of both an endowment care fund and one or more special care funds need file only one such bond. The aggregate liability of the surety shall in no case exceed the face amount of the bond. The Cemetery Board or any aggrieved person claiming against any bond required by this section may maintain an action against the trustees or corporate trustee and the surety. Any judgment or settlement recovered on account of such a claim shall be paid into the corpus of the endowment care fund or special care fund.

The trustees or corporate trustee of an endowment care fund or special care fund shall take no action respecting trust funds unless there is on file with the board a bond as required by this section. The Cemetery Board may suspend the certificate of authority of any cemetery authority having endowment or special care funds with respect to which there is no bond on file with the board as required by this section.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act, because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 525

An act to amend Sections 8302, 8738, and 8738.1 of, and to add Chapter 4 (commencing with Section 8115) to Part 1 of Division 8 of, the Health and Safety Code, and to repeal Section 563e of the Penal Code, relating to cemeteries.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Chapter 4 (commencing with Section 8115) is added to Part 1 of Division 8 of the Health and Safety Code, to read:

CHAPTER 4. LOCAL REGULATION OF CEMETERIES

8115. The governing body of any city or county, in the exercise of its police power, may by ordinance prescribe such standards governing burial, inurnment, and entombment and such standards of maintenance for cemeteries, including mausoleums and columbariums, as it shall determine to be reasonably necessary to protect the public health or safety, assure decent and respectful treatment of human remains, or prevent offensive deterioration of cemetery grounds, structures, and places of interment. Such standards may be made applicable to every public and private cemetery within the city or county.

Nothing in this section supersedes any provision of this division or Division 7 (commencing with Section 7000) or authorizes the adoption of local standards in conflict with such provisions, except that city or county ordinances adopted pursuant to this section shall prevail over the rules and regulations of any private or public cemetery to the extent of any conflict.

SEC. 2. Section 8302 of the Health and Safety Code is amended to read:

8302. (a) It may regulate the uniformity, class, and kind of all markers, monuments, and other structures within the cemetery and its subdivisions.

(b) However, no cemetery authority shall require, as a condition to the erection of a marker, monument, or other structure within the cemetery, that the marker, monument, or other structure be purchased from or through the cemetery authority.

SEC. 3. Section 8738 of the Health and Safety Code is amended to read:

8738. An endowment care cemetery is one which has deposited in its endowment care fund the minimum amounts heretofore required by law and shall hereafter have deposited in its endowment care fund at the time of or not later than completion of the initial sale not less than the following amounts for plots sold or disposed of:

(a) One dollar and twenty-five cents ($1.25) a square foot for each grave;

(b) Fifteen dollars ($15) for each niche;

(c) Fifty dollars ($50) for each crypt; provided, however, that for companion crypts, there shall be deposited fifty dollars ($50) for the first crypt and twenty-five dollars ($25) for each additional crypt.

SEC. 4. Section 8738.1 of the Health and Safety Code is amended to read:

8738.1. In addition to the requirements of Section 8738 any endowment care cemetery hereafter established shall also have deposited in its endowment care fund the additional sum of twenty-five thousand dollars ($25,000), or thirty-five thousand dollars ($35,000) if established on or after January 1, 1977, before disposing of any plot or making any sale thereof.

SEC. 5. Section 563e of the Penal Code is repealed.

CHAPTER 526

An act to amend Sections 12.2, 19.1, and 20 of, and to add Section 20.1 to, the Contra Costa County Flood Control and Water Conservation District Act (Chapter 1617 of the Statutes of 1951), relating to the Contra Costa County Flood Control and Water Conservation District.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 12.2 of the Contra Costa County Flood Control and Water Conservation District Act (Chapter 1617 of the Statutes of 1951) is amended to read:

Sec. 12.2. The board by resolution thereof adopted from time to time, may establish drainage areas within the district without reference to the boundaries of other zones or drainage areas, setting forth in such resolution descriptions thereof by metes and bounds and entitling each of such areas by an area designation or number, and institute drainage plans for the specific benefit of such areas.

If the exterior boundaries of such a proposed drainage area will include lands lying within the exterior boundaries of any city within the district, the board shall submit to the governing body of such city, a copy of the resolution specifying its intention to form such area and institute a drainage plan therefor. Such resolution shall be forwarded to any affected city at least 20 days before the date the board proposes to adopt the resolution establishing the drainage area. If prior to taking final action by resolution to form any area, the exterior boundaries of which will include any lands lying within the exterior boundaries of any city within the district, the board receives a

resolution or ordinance adopted by a majority of the members of the governing body of such city requesting exclusion of such city territory from the area, the board shall exclude such territory.

A drainage area may include all lands contributing to the drainage requirements of an area, excluding as necessary such lands as are already developed or those adequately served by existing local drainage facilities serving the area at the time of the adoption of a plan for additional drainage facilities from fees.

Whenever drainage facilities, conforming to the instituted drainage plan, are required in the development of any land within a drainage area and where, in the opinion of the board, it is necessary that other facilities be constructed which can be, or will be, used for the benefit of other property in the drainage area, and such drainage facilities are dedicated to the public, the board may contract with the developer and agree to reimburse, and may reimburse him, for all or any portion of such drainage facilities. Such contract shall provide that the board may collect a reasonable charge from any person, corporation, or agency using such facilities for the benefit of other property in the drainage area. Where existing drainage facilities conform to the instituted drainage plan, the board may contract with the developer of the installed drainage facilities and agree to reimburse, and may reimburse him, for all or any portion of such drainage facilities if such drainage facilities are dedicated to the district or public.

Fees may be collected pursuant to this section for payment of all or any portion of any such drainage facility costs if the costs, whether actual or estimated, are based upon findings by the board, that development of property within the planned drainage area will require construction of the facilities described in the drainage plan, and that fees are fairly apportioned within the local drainage area on the basis of benefits conferred on property within the area. The fee as to any property within the drainage area may be charged as a condition precedent to the development of such property, and no building permit therefor shall be issued or the final map for a subdivision approved until payment thereof, and such fee shall not exceed the pro rata share of the amount of the total actual or estimated costs of all such drainage facilities within the drainage area which would be assessable on such property if such costs were apportioned on a uniform fee schedule, excluding, however, such property within the area as, in the opinion of the board, is incapable of development from fees.

The fees collected by the district, pursuant to this section, shall be paid into a drainage facilities fund. A separate fund shall be established for each drainage area. Any money placed in such fund shall be expended as provided in this section for land acquisition, construction, engineering, repair, maintenance and operation or reimbursement for the same, in whole or in part, of local drainage facilities within the planned drainage area from which the fees comprising the fund were collected or to reduce the principal or

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interest of any bonded indebtedness of the drainage area.

The term "developer," as used herein, shall include a subdivider, industrial developer, or any person, corporation, district, public or private agency, or group that may participate in the drainage facilities constructed pursuant to this section.

Any drainage facilities constructed in any drainage area may be installed by the developer at his sole cost and expense in accordance with plans and specifications prepared or approved by the district, by the district with its own funds, or by the district with funds supplied by the developer, and the cost thereof may be collected and repaid, in whole or in part, in the manner provided for in this section.

SEC. 2. Section 19.1 of the Contra Costa County Flood Control and Water Conservation District Act (Chapter 1617 of the Statutes of 1951), as amended by Chapter 133 of the Statutes of 1975, is further amended to read:

Sec. 19.1. Proceedings for the conversion of a storm drain maintenance district, Contra Costa County Storm Drainage District zone, or county service area into a drainage area may be commenced by the board by the adoption of a resolution which shall:

(a) State the name, general location, and the boundaries of the district, zone, or county service area proposed to be converted and the name or number and the boundaries of the drainage area proposed to be established. The boundaries may be described in the resolution by reference to a legal description thereof on file in the office of the clerk of the board.

(b) State that a tax may be levied pursuant to Section 12.4 to pay for services or works of improvement furnished within such area after due allowance has been made for existing unencumbered funds standing to the credit of the district, zone, or county service area in the county treasury.

(c) Fix a time and place for a public hearing on the conversion which shall not be less than 30 nor more than 60 days after the adoption of the resolution.

SEC. 3. Section 20 of the Contra Costa Flood Control and Water Conservation District Act (Chapter 1617 of the Statutes of 1951) is amended to read:

Sec. 20. The bonds of the district issued for any zone or drainage area thereof pursuant to this act, shall be legal investments for all trust funds, and for the funds of all insurance companies, banks, both commercial and savings, and trust companies, and for the state school funds, and whenever any money or funds may by law now or hereafter enacted be invested in bonds of cities, cities and counties, counties, school districts or municipalities in the State of California, such money or funds may be invested in the said bonds of said district issued in accordance with the provisions of this act, and whenever bonds of cities, cities and counties, counties, school districts or municipalities, may by any law now or hereafter enacted be used as security for the performance of any act, such bonds of said district may be so used.

This section of this act is intended to be and shall be considered the latest enactment with respect to the matters herein contained and any and all acts or parts of acts in conflict with the provisions hereof are hereby repealed.

SEC. 4. Section 20.1 is added to the Contra Costa County Flood Control and Water Conservation District Act (Chapter 1617 of the Statutes of 1951), to read:

Sec. 20.1. Bonds may be authorized and issued and bond indebtedness incurred for drainage areas under this act in the same manner and subject to the same provisions for such as provided for zones.

CHAPTER 527

An act to amend Section 72190 of the Government Code, relating to courts.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976]

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

SECTION 1. Section 72190 of the Government Code is amended to read:

72190. Within the jurisdiction of the court and under the direction of the judges, commissioners of municipal courts shall exercise all the powers and perform all of the duties authorized by law to be performed by commissioners of superior courts and such additional powers and duties as may be prescribed by law. They shall possess the same qualifications the law requires of a judge and shall hold office during the pleasure of the court appointing them and shall not engage in the private practice of law. They shall be ex officio deputy clerks.

Notwithstanding any other provision of law, a commissioner of a municipal court of any judicial district in Los Angeles County and San Diego County who has been duly appointed and has thereafter been retired for service, may be assigned by the presiding judge of a court to serve as a court commissioner of the court for such periods of time as he is needed for the prompt and efficient discharge of the business of that court. While so serving, he shall be paid the full compensation of a court commissioner, payable as follows: He shall continue to receive his retirement allowance, and in addition the county shall pay him the amount equal to the difference between such retirement allowance and such full compensation. Such employment shall not operate to reinstate him as a member of the county retirement system or to terminate or suspend his retirement rights or allowance, and no deductions shall be made from his compensation as contributions to the retirement system.

SEC. 2. There are no state-mandated local costs within the meaning of Section 2231 of the Revenue and Taxation Code imposed on local governmental entities by this act.

SEC. 3. The Legislature hereby finds and declares that the municipal courts in San Diego County are periodically understaffed and in need of assistance to adequately handle the caseload. This provision, allowing San Diego County to hire retired court commissioners on an as-needed basis, will facilitate the smooth and efficient operation of the court system and the proper administration of justice. Accordingly, this legislation affecting San Diego County is necessary to permit the Legislature to carry out its constitutionally delegated responsibility of prescribing the number, qualifications, and compensation of municipal court officers.

CHAPTER 528

An act to amend Section 4 of Chapter 1021 of the Statutes of 1973, Section 2 of Chapter 1022 of the Statutes of 1973, and Section 8 of Chapter 1023 of the Statutes of 1973, relating to payment to local agencies for increased costs, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 4 of Chapter 1021 of the Statutes of 1973 is amended to read:

Sec. 4. The sum of one hundred six thousand dollars ($106,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to this act.

For purposes of this section, costs for purposes of Section 2231 of the Revenue and Taxation Code shall be computed as follows:

(a) An insured local agency shall multiply its annual premium, adjusted by its experience modification factor and less dividends received in the current year, by the percentage increase in losses attributable to the cost mandate, calculated by a rating bureau, licensed in accordance with Section 11751 of the Insurance Code, using commonly accepted actuarial practices.

(b) An uninsured local agency shall claim on the basis of actual losses or, in lieu thereof, may multiply total annual losses by the percentage increase in losses attributable to the cost mandate, calculated by a rating bureau, licensed in accordance with Section 11751 of the Insurance Code, using commonly accepted actuarial practices.

When more than one percentage increase in losses attributable to the cost mandate has been developed by rating bureaus, the State Department of Finance shall specify the applicable value to be used for the year of the claim.

SEC. 2. Section 2 of Chapter 1022 of the Statutes of 1973 is amended to read:

Sec. 2. The sum of one million ninety-six thousand dollars ($1,096,000) is hereby appropriated from the General Fund to the State Controller for payments to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse them for costs incurred pursuant to this act. This appropriation shall be available until June 30, 1974.

For purposes of this section, costs for purposes of Section 2231 of the Revenue and Taxation Code shall be computed as follows:

(a) An insured local agency shall multiply its annual premium, adjusted by its experience modification factor and less dividends received in the current year by the percentage increase in losses attributable to the cost mandate, calculated by a rating bureau, licensed in accordance with Section 11751 of the Insurance Code, using commonly accepted actuarial practices.

(b) When more than one percentage increase in losses attributable to the cost mandate has been developed by rating bureaus, the State Department of Finance shall specify the applicable value to be used for the year of the claim.

Claims for reimbursement shall be prepared in the form, and payments made at the time, specified by the State Controller.

SEC. 3. Section 8 of Chapter 1023 of the Statutes of 1973 is amended to read:

Sec. 8. The sum of one million five hundred eighty-two thousand two hundred twenty-three dollars ($1,582,223) is hereby appropriated from the General Fund to the State Controller for payments to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse them for costs incurred pursuant to this act. This appropriation shall be available until June 30, 1974.

For purposes of this section, costs for purposes of Section 2231 of the Revenue and Taxation Code shall be computed as follows:

(a) An insured local agency shall multiply its annual premium, adjusted by its experience modification factor and less dividends received in the current year by the percentage increase in losses attributable to the cost mandate, calculated by a rating bureau, licensed in accordance with Section 11751 of the Insurance Code, using commonly accepted actuarial practices.

(b) An uninsured local agency shall claim on the basis of actual losses or, in lieu thereof, may multiply total annual losses by the percentage increase in losses attributable to the cost mandate, calculated by a rating bureau, licensed in accordance with Section 11751 of the Insurance Code, using commonly accepted actuarial practices.

When more than one percentage increase in losses attributable to

the cost mandate has been developed by rating bureaus, the State Department of Finance shall specify the applicable value to be used for the year of the claim.

Claims for reimbursement shall be prepared in the form, and payments made at the time, specified by the State Controller.

SEC. 4. The sum of five million six hundred thousand dollars ($5,600,000) is hereby appropriated from the General Fund in augmentation of Item 165 of the Budget Act of 1975.

SEC. 5. This act shall apply to all claims filed for the fiscal year 1976–77 and thereafter.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that present inequity in the reimbursement of local entities under Chapters 1021, 1022, and 1023 of the Statutes of 1973 be eliminated, before further reimbursements are made, by relating reimbursement to actual costs rather than a fixed unit of cost it is necessary that this act go into immediate effect.

CHAPTER 529

An act to amend Section 20111 of the Health and Safety Code, relating to police protection districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976]

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

SECTION 1. Section 20111 of the Health and Safety Code is amended to read:

20111. (a) Except as otherwise provided in subdivision (b), any amount of money raised for the maintenance of a police department in a district by an annual tax levied pursuant to this article shall not exceed three-fourths of 1 percent of the assessed value of the taxable property in the district.

(b) If the district desires to change the maximum amount of money established by subdivision (a) for maintenance of a police department, the district board shall call a special election to submit a proposed new maximum to the voters of the district. The proposed new maximum shall be expressed on the ballot in the same manner as the maximum amount is expressed in subdivision (a). A majority of the votes cast at such an election shall be required to approve the proposed new maximum. No maximum established pursuant to this subdivision shall exceed 1½ percent of the assessed value of taxable property in the district.

SEC. 2. Notwithstanding the time limitations prescribed by Section 23302 of the Elections Code, the county board of supervisors shall order consolidation of a special election called by a police protection district in the county pursuant to subdivision (b) of Section 20111 of the Health and Safety Code with the statewide general election to be conducted November 2, 1976, if the board of police commissioners of the police protection district, on or before September 1, 1976, files with the board of supervisors, and a copy with the county clerk of, its resolution requesting such consolidation and setting forth the exact form of the proposition to be voted on at such election as the same is to appear on the ballot.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

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

Inadequate funding of police protection districts poses an immediate threat to the public safety. The existing limitation on the tax rate which may be imposed for support of such districts is too low to permit the provision of adequate law enforcement services in some areas. In order that underfunded police protection districts may submit to the voters, at the same time as the 1976 statewide general election, proposals for appropriate increases authorized by this act, it is necessary that this act go into immediate effect.

CHAPTER 530

An act to add Section 38111 to the Health and Safety Code, relating to developmental disabilities.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Section 38111 is added to the Health and Safety Code, to read:

38111. (a) Every physician and surgeon diagnosing a developmental disability of a patient who is a minor, or who observes a minor patient to exhibit manifestations indicating the possible presence of a developmental disability, as defined in subdivision (h) of Section 38003, shall attempt to determine from the patient, the parents or guardian of the patient, or the regional center for the area

if such person has been previously referred to the regional center for the area. If the patient has not been previously referred to the regional center, the physician and surgeon shall inform a parent or the guardian of the patient of the existence of the regional center for the area, shall describe to such person the services available through the regional center, and shall, upon request of the parent or guardian of the patient, refer the patient through his parent or guardian to the regional center. Upon obtaining the consent of the patient's parent or guardian, the physician and surgeon shall notify the regional center of such referral.

(b) Each regional center shall maintain a record of every developmentally disabled person under the age of 18 years known by the regional center to have been referred to it for its services, whether or not services are actually provided, and shall notify any physician and surgeon making an inquiry with the consent of the minor's parent or guardian pursuant to this section regarding the existence or nonexistence of a prior referral.

(c) The state department shall transmit a copy of this section and of subdivision (h) of Section 38003, a list of the names and addresses of each regional center, and such other pertinent information as the state department deems appropriate to every physician and surgeon licensed to practice in this state and every general acute care hospital licensed under Chapter 2 (commencing with Section 1250) of Division 2.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden on local government.

CHAPTER 531

An act to amend Sections 6901 and 6902 of, to add Section 6900 to, and to repeal Section 6900 of, the Financial Code, relating to savings and loan associations.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976]

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

SECTION 1. Section 6900 of the Financial Code is repealed.

SEC. 2. Section 6900 is added to the Financial Code, to read:

6900. The commissioner shall fix a minimum statutory net worth requirement applicable to all associations, but such requirement shall not exceed 4 percent of an association's total assets. In defining total assets, the commissioner may issue regulations to exclude from

the total asset figure such asset items as may be deemed appropriate by the commissioner. For the purpose of computing total assets as of any given date, an association at its option may use the average of total assets as of the end of the preceding calendar year and the total assets of the association at the end of any one or more, up to four, of the immediately preceding calendar years providing all such dates are consecutive.

SEC. 3. Section 6901 of the Financial Code is amended to read:

6901. Without the consent of the commissioner, no association shall pay any dividends to stockholders or distribute any profits to stockholders if its statutory net worth is less than, or by such payment or distribution would be reduced below, the requirement specified by the commissioner pursuant to Section 6900.

SEC. 4. Section 6902 of the Financial Code is amended to read:

6902. If the statutory net worth falls below the level specified by the commissioner, the commissioner may require the association to increase its statutory net worth within the time and in a manner designated by the commissioner, so as to bring the amount to the level specified in this chapter, and may, in addition, require the association to do any one or more of the following:

(a) Increase its liquid assets and maintain such increased liquidity at the level specified by the commissioner.

(b) Cease:

(1) Issuing investment certificates and withdrawable shares of all classes or categories, except in exchange for certificates and shares already issued.

(2) Issuing investment certificates and withdrawable shares of any particular class, category, or amount.

(3) Receiving additional funds upon investment certificates and withdrawable shares already issued other than installment certificates or shares.

The provisions of this subdivision shall not prevent the association from crediting to investment certificates and withdrawable shares the interest earned thereon.

(c) Cease all lending, lending in a particular area, or making a particular type or category of loans.

(d) Cease purchase of loans or other investments.

(e) Cease or limit promotional expenditures.

(f) Convene a meeting or meetings of its board of directors with the commissioner in attendance to accomplish the objectives of this section.

(g) Take such other steps as the commissioner deems necessary to safeguard the interest of the association and the public.

CHAPTER 532

An act to amend Sections 43.7 and 43.8 of the Civil Code, relating to health.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976]

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

SECTION 1. Section 43.7 of the Civil Code is amended to read:

43.7. There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any member of a duly appointed committee of a state or local professional society, or duly appointed member of a committee of a medical staff of a licensed hospital (provided the medical staff operates pursuant to written bylaws that have been approved by the governing board of the hospital), for any act or proceeding undertaken or performed within the scope of the functions of any such committee which is formed to maintain the professional standards of the society established by its bylaws, or any member of any peer review committee whose purpose is to review the quality of medical services rendered by physicians and surgeons, which committee is composed chiefly of physicians and surgeons, for any act or proceeding undertaken or performed in reviewing the quality of medical services rendered by physicians and surgeons, if such committee member acts without malice, has made a reasonable effort to obtain the facts of the matter as to which he acts, and acts in reasonable belief that the action taken by him is warranted by the facts known to him after such reasonable effort to obtain facts. "Professional society" includes legal, medical, psychological, dental, accounting, optometric, podiatric, pharmaceutic, chiropractic, and engineering organizations having as members at least a majority of the eligible licentiates in the area served by the particular society. The provisions of this section do not affect the official immunity of an officer or employee of a public corporation.

This section shall not be construed to confer immunity from liability on any professional society or hospital. In any case in which, but for the enactment of the preceding provisions of this section, a cause of action would arise against a hospital or professional society, such cause of action shall exist as if the preceding provisions of this section had not been enacted.

SEC. 2. Section 43.8 of the Civil Code is amended to read:

43.8. In addition to the privilege afforded by Section 47, there shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any person on account of the communication of information in the possession of such person to any hospital, hospital medical staff, professional society, medical or dental school, professional licensing board or division, committee or

panel of such licensing board, or peer review committee described in Section 43.7 when such communication is intended to aid in the evaluation of the qualifications, fitness or character of a practitioner of the healing arts and does not represent as true any matter not reasonably believed to be true. The immunities afforded by this section and by Section 43.7 shall not affect the availability of any absolute privilege which may be afforded by Section 47.

CHAPTER 533

An act to amend Sections 36402, 36402.1, 36402.3, 36406, 36407, 36407.1, 36408, 36408.4, 36408.5, 36408.6, and 36409 of, and to add Sections 36408.7 and 36408.8 to, the Water Code, relating to California water districts.

[Approved by Governor August 21, 1976. Filed with Secretary of State August 22, 1976]

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

SECTION 1. Section 36402 of the Water Code is amended to read:

36402. Indebtedness incurred under this chapter shall be evidenced by warrants or negotiable notes of the district payable at stated times fixed by the board and bearing interest at a rate not exceeding 8 percent per annum, payable annually or semiannually.

SEC. 2. Section 36402.1 of the Water Code is amended to read:

36402.1. Except as provided in Section 36407.1, no warrants or negotiable notes issued pursuant to this chapter shall be valid unless their issuance is authorized by a majority of the voters voting at an election called by the board for the purpose of determining whether or not the warrants or negotiable notes shall be authorized.

SEC. 3. Section 36402.3 of the Water Code is amended to read:

36402.3. The proceeds of such warrants or negotiable notes may, with the approval of the State Treasurer where required, be used and applied to the purchase or redemption of any outstanding warrants or negotiable notes of the district.

SEC. 4. Section 36406 of the Water Code is amended to read:

36406. Warrants or negotiable notes issued under this chapter shall be offered for public sale upon notice inviting sealed bids therefor. Such notice shall be given by publication pursuant to Section 6061 of the Government Code in a newspaper of general circulation printed and published in the district or if such a newspaper is not printed and published in the district by posting in three public places in the district, and the sale shall not be held before 10 days after such publication or posting. The board may reject all bids received on public sale and either readvertise or sell the warrants or negotiable notes at private sale, but no sale at private

sale shall be made for less than the par value of the warrants or negotiable notes and accrued interest thereon.

SEC. 5. Section 36407 of the Water Code is amended to read:

36407. Warrants or negotiable notes issued under this chapter and authorized by the voters pursuant to Section 36402.1 shall constitute general obligations of the district for the payment of both principal and interest of which all land in the district subject to assessment by the district shall be assessed without limitation of rate or amount. It shall be the duty of the board to include in its annual estimate filed with the board of supervisors all sums necessary to pay the principal of, and interest on, all warrants or negotiable notes issued under this chapter coming due during the next year, and any sums that the board shall direct to be set aside in a special fund for the future payment of principal of and interest on any outstanding warrants or negotiable notes issued under this chapter which will come due in any year following the next year. It shall be the duty of the board of supervisors, at the time and in the manner provided in this division for making the annual assessment, to fix an ad valorem rate of assessment sufficient to pay the principal of and interest on all warrants or negotiable notes issued under this chapter as the same become due, and the sums required for the special fund established by the board. Such ad valorem assessment shall be in addition to all other assessments in this division provided for and when collected shall be used for no purpose other than the payment of said warrants or negotiable notes and the interest thereon.

SEC. 6. Section 36407.1 of the Water Code is amended to read:

36407.1. Warrants or negotiable notes payable in five years or less from the date of issuance may be issued under this section without the approval of the voters pursuant to Section 36402.1 and shall constitute obligations of the district payable from annual assessments and other revenues of the district and subject to the maximum property tax rate contained in Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of the Revenue and Taxation Code.

SEC. 7. Section 36408 of the Water Code is amended to read:

36408. Warrants or negotiable notes shall not be issued under this chapter in excess of an amount authorized by the State Treasurer. The State Treasurer shall not authorize the issuance of any warrants or negotiable notes under this chapter unless the State Treasurer shall find and determine that in his judgment the district will be able to pay the principal of and interest on the warrants or negotiable notes as the same respectively become due. Such warrants or negotiable notes shall be subject to investigation and certification in the same manner, by the same officers and with the same force and effect as prescribed for the investigation and certification of bonds of irrigation districts by the provisions of Division 10 (commencing with Section 20000).

SEC. 8. Section 36408.4 of the Water Code is amended to read:

36408.4. In the absence of approval by the State Treasurer, warrants or negotiable notes payable at a future date or times may

also be issued to obtain funds or property for any lawful purpose of the district; provided, the total amount of such warrants or negotiable notes payable in any one year shall not exceed one-fourth of one (1) percent of the total valuation of the land in the district according to the last equalized assessment roll.

SEC. 9. Section 36408.5 of the Water Code is amended to read:

36408.5. Any warrant or negotiable notes authorized in the preceding section shall draw interest at a rate to be fixed by the board not to exceed eight (8) percent per year payable annually or semiannually as the board may prescribe. Negotiable notes shall be issued payable to bearer with a right of the district to provide for the registration and deregistration thereof in the same manner as bonds of the district. Interest coupons to bearer in a form and signed as prescribed by the board may be attached to such warrants or negotiable notes.

SEC. 10. Section 36408.6 of the Water Code is amended to read:

36408.6. Warrants or negotiable notes of any district may be issued to evidence the indebtedness allowed to be incurred prior to the levy of the first district assessment, bearing interest fixed by the board at not more than eight (8) percent per year. These warrants or negotiable notes shall be made payable on a date not later than the first day of July next after the first annual assessment in the district is levied.

SEC. 11. Section 36408.7 is added to the Water Code, to read:

36408.7. A district may borrow money in anticipation of the sale of, but not in excess of the principal amount of, authorized bonds of the district which have not yet been sold and delivered, and for that purpose may issue and sell negotiable bond anticipation notes, and may refund such notes from time to time, but the maximum maturity of any such notes, as originally issued or as refunded, shall not exceed five years from the date of the original notes. The notes shall be sold in such manner as the board may determine, and such notes and the resolution providing for the issuance of such notes may contain any provision, condition or limitation which a bond, or any resolution or ordinance providing for the issuance of bonds, may contain. The interest on bond anticipation notes shall be payable at the time or times provided in such notes and may be represented by interest coupons attached to the notes and shall be payable from the same funds from which the interest on bonds of the district are payable. The principal of such notes may be paid from any moneys of the district available for such purpose. If such notes, or any portion thereof, have not been previously paid, they shall be paid from the proceeds of the next sale of bonds in anticipation of which the notes were issued. The resolution providing for the issuance of bond anticipation notes may contain a provision that, if for any reason bonds of the district are not sold in time to provide funds to pay any unpaid note, and, if other funds of the district are not available for such payment, ad valorem assessments shall be levied upon the assessable land in the district for such payment in the same manner

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provided for the payment of bonds in such amount each year for such period of years as may be set forth in such resolution. To the extent bond anticipation notes are paid from such assessment, authorized bonds in a corresponding amount shall be canceled and not issued thereafter. When bonds of the district are issued and any portion of the proceeds of the sale are to be used to pay bond anticipation notes, such bonds shall mature not later than the maximum permissible years for such bonds as provided in Section 36195, with the maximum permissible maturity determined from the date of such notes as originally issued.

SEC. 12. Section 36408.8 is added to the Water Code, to read:

36408.8. A district may borrow money in anticipation of the sale of, but not in excess of the principal amount of, authorized bonds of an improvement district formed pursuant to this division which have not yet been sold and delivered, and for that purpose may issue and sell negotiable bond anticipation notes, and may refund such notes from time to time, but the maximum maturity of any such notes, as originally issued or as refunded, shall not exceed five years from the date of the original notes. The notes shall be sold in such manner as the board may determine, and such notes and the resolution providing for the issuance of such notes may contain any provision, condition or limitation which a bond, or any resolution or ordinance providing for the issuance of bonds, may contain. The interest on bond anticipation notes shall be payable at the time or times provided in such notes and may be represented by interest coupons attached to the notes and shall be payable from the same funds from which the interest on bonds of the improvement district are payable. The principal of such notes may be paid from any moneys of the improvement district available for such purpose. If such notes, or any portion thereof, have not been previously paid, they shall be paid from the proceeds of the next sale of bonds in anticipation of which the notes were issued. The resolution providing for the issuance of bond anticipation notes may contain a provision that, if for any reason bonds of the improvement district are not sold in time to provide funds to pay any unpaid note, and, if other funds of the improvement district are not available for such payment, ad valorem assessments shall be levied upon the assessable land in the improvement district for such payment in the same manner provided for the payment of bonds in such amount each year for such period of years as may be set forth in such resolution. To the extent bond anticipation notes are paid from such assessments, authorized bonds in a corresponding amount shall be canceled and not issued thereafter. When bonds of the improvement district are issued and any portion of the proceeds of the sale are to be used to pay bond anticipation notes, such bonds shall mature not later than the maximum permissible years for such bonds as provided in Section 36195, with the maximum permissible maturity determined from the date of such notes as originally issued.

SEC. 13. Section 36409 of the Water Code is amended to read:

36409. The provisions of this chapter shall constitute an addition to all other power of the district to borrow money, incur indebtedness, and issue warrants or negotiable notes in connection therewith, and shall not be deemed a restriction or limitation on such other power. A district may issue negotiable notes as provided in this chapter in lieu of the issuance of warrants of the district or for an improvement district as provided in this division.

CHAPTER 534

An act to repeal Division 3 (commencing with Section 28000) of Title 4 of the Corporations Code, to amend Section 24204 of the Education Code, to amend Sections 12202, 17053, 17072, 17112.5, 17132, 17157, 17204, 17501, 17502.3, 17503, 17511, 17512, 17515, 17516, 17520.6, 17522, 17524, 17526, 17527, 17528, 18807, 24601, 24602, 24603, 24607, 24608, and 24610 of, to add Sections 17240, 17502, 17502.4, 17502.5, 17502.9, 17514, 17519, 17520, 17525.1, 17530, 17530.1, 17530.2, 17530.3, and 17530.4 to, and to repeal Sections 17502, 17502.4, 17502.4a, 17502.5, 17514, 17519, and 17520 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor August 21, 1976 Filed with Secretary of State August 22, 1976.]

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

SECTION 1. Division 3 (commencing with Section 28000) of Title 4 of the Corporations Code is repealed.

SEC. 1.5. Section 24204 of the Education Code is amended to read:

24204. The trustees, subject to such conditions as they may establish, may purchase annuity contracts for any of their employees, and shall reduce the salary of any such employee for whom such contract is purchased in the amount of the cost thereof; provided that each of the following conditions are met:

(a) The annuity contract is under an annuity plan which meets the requirements of Section 403(b) of the Internal Revenue Code of 1954 of the United States as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(b) The employee makes application to the trustees for such purchase and reduction of salary.

(c) All provisions of the Insurance Code applicable to the purchase of such annuities are satisfied.

SEC. 1.6. Section 12202 of the Revenue and Taxation Code is amended to read:

12202. The rate of tax to be applied to the basis of the annual tax in respect to each year is 2.35 percent except the rate to be applied to the basis in respect to the years 1964, 1965, 1966, and 1967 is 2.33

percent and except that as to gross premiums received upon policies or contracts issued in connection with a pension plan or profit-sharing plan exempt or qualified under Section 401(a), 403(b), 404, 408(b), or 501(a) of the United States Internal Revenue Code as they may be amended or renumbered from time to time, the rate of tax shall be the percentage set forth below opposite each year:

Year	Percentage
1960	2.15
1961	1.95
1962	1.75
1963	1.55
1964	1.35
1965 through 1968	1.00
1969 and each year thereafter	0.50

SEC. 1.7. Section 17053 of the Revenue and Taxation Code is amended to read:

17053. (a) In the case of an individual who has received earned income before the beginning of the taxable year, there shall be allowed as a credit against the tax imposed by this part for the taxable year an amount equal to the amount received by such individual as retirement income (as defined in subdivision (c) and as limited by subdivision (d)), multiplied by the rate provided in Section 17041 for the first two thousand dollars ($2,000) of taxable income; but the credit provided by this section shall not exceed the tax imposed under this part reduced by the credit allowable under Chapter 12 (relating to taxes paid to other states) and the credit allowable under Section 17054 (relating to credits for personal exemptions).

(b) For purposes of subdivision (a), an individual shall be considered to have received earned income if he has received, in each of any 10 calendar years before the taxable year, earned income, as defined in subdivision (g), in excess of six hundred dollars ($600). A widow or widower whose spouse had received such earned income shall be considered to have received earned income.

(c) For purposes of subdivision (a), the term "retirement income" means—

(1) In the case of an individual who has attained the age of 65 before the close of the taxable year, income from—

(A) Pensions and annuities (including, in the case of an individual who is, or has been, an employee within the meaning of Section 17502.2(a), distributions by a trust described in Section 17501 which is exempt from tax under Section 17631),

(B) Interest,

(C) Rents,

(D) Dividends,

(E) Bonds described in Section 17526(b) which are received under a qualified bond purchase plan described in Section 17526(a) or in a distribution from a trust described in Section 17501

which is exempt from tax under Section 17631, or retirement bonds described in Section 17530.1, and

(F) An individual retirement account described in Section 17530(a), or an individual retirement annuity described in Section 17530(b),

or

(2) In the case of an individual who has not attained the age of 65 before the close of the taxable year, income from pensions and annuities under a public retirement system (as defined in subdivision (f)), to the extent included in gross income without reference to this section, but only to the extent such income does not represent compensation for personal services rendered during the taxable year.

(d) For purposes of subdivision (a), the amount of retirement income shall not exceed one thousand five hundred twenty-four dollars ($1,524) less—

(1) In the case of any individual, any amount received by the individual as a pension or annuity—

(A) Under Title II of the Social Security Act,

(B) Under the Railroad Retirement Acts of 1935 or 1937, or

(C) Otherwise excluded from gross income,

and

(2) In the case of any individual who has not attained the age of 72 before the close of the taxable year—

(A) If such individual has not attained age 62 before the close of the taxable year, any amount of earned income (as defined in subdivision (g)) in excess of nine hundred dollars ($900) received by the individual in the taxable year—

(B) If such individual has attained age 62 before the close of the taxable year, the sum of (i) one-half the amount of earned income received by such individual in the taxable year in excess of one thousand two hundred dollars ($1,200) but not in excess of one thousand seven hundred dollars ($1,700), and (ii) the amount of earned income so received in excess of one thousand seven hundred dollars ($1,700).

(e) Subdivision (d)(1) shall not apply to any amount excluded from gross income under Sections 17101 to 17108, inclusive (relating to annuities), 17131 to 17135, inclusive (relating to life insurance proceeds), 17138 (relating to compensation for injuries or sickness), 17139 (relating to amounts received under accident and health plans), 17503 to 17507, inclusive, (relating to taxability of beneficiary of employees' trust), or 17511 and 17512 (relating to taxation of employee annuities).

(f) For purposes of subdivision (c)(2), the term "public retirement system" means a pension, annuity, retirement, or similar fund or system established by the United States, a state, a territory, a possession of the United States, any political subdivision of any of the foregoing, or the District of Columbia.

(g) For purposes of subdivision (b) and (d)(2), the term "earned

income" has the meaning assigned to such term in Section 911(b) of the Internal Revenue Code of 1954, except that such term does not include any amount received as a pension or annuity.

(h) (1) A husband and wife who make a joint return for the taxable year and both of whom have attained the age of 65 before the close of the taxable year may elect (at such time and in such manner as the Franchise Tax Board by regulations prescribes) to determine the amount of the credit allowed by subdivision (a) by applying the provisions of paragraph (2).

(2) If an election is made under paragraph (1) for the taxable year, for purposes of subdivision (a)—

(A) If either spouse is an individual who has received earned income within the meaning of subdivision (b), the other spouse shall be considered to be an individual who has received earned income within the meaning of such subdivision; and

(B) Subdivision (d) shall be considered as providing that the amount of the combined retirement income of both spouses shall not exceed two thousand two hundred eighty-six dollars ($2,286), less the sum of the amounts specified in paragraphs (1) and (2) of subdivision (d) for each spouse.

(i) No credit shall be allowed under subdivision (a) to any nonresident.

SEC. 2. Section 17072 of the Revenue and Taxation Code is amended to read:

17072. For purposes of this part, the term "adjusted gross income" means, in the case of an individual, gross income minus the following deductions:

(a) The deductions allowed by this part (other than by Article 7 of this chapter) which are attributable to a trade or business carried on by the taxpayer, if such trade or business does not consist of the performance of services by the taxpayer as an employee.

(b) (1) The deductions allowed by Article 6 (Section 17201 and following) which consist of expenses paid or incurred by the taxpayer, in connection with the performance by him of services as an employee, under a reimbursement or other expense allowance arrangement with his employer.

(2) The deductions allowed by Article 6 (Section 17201 and following) which consist of expenses of travel, meals, and lodging while away from home, paid or incurred by the taxpayer in connection with the performance by him of services as an employee.

(3) The deductions allowed by Article 6 (commencing with Section 17201) of Chapter 3 of this part which consist of expenses of transportation paid or incurred by the taxpayer in connection with the performance by him of services as an employee.

(4) The deductions allowed by Article 6 (commencing with Section 17201) of Chapter 3 of this part which are attributable to a trade or business carried on by the taxpayer, if such trade or business consists of the performance of services by the taxpayer as an employee and if such trade or business is to solicit, away from the

employer's place of business, business for the employer.

(c) The deductions allowed by Article 6 (commencing with Section 17201) of Chapter 3 of this part as losses from the sale or exchange of property.

(d) The deductions allowed by Article 6 (commencing with Section 17201) of Chapter 3 of this part, by Section 17252 (relating to expenses for production of income), and by Section 17681 (relating to depletion) which are attributable to property held for the production of rents or royalties.

(e) In the case of a life tenant of property, or an income beneficiary of property held in trust, or an heir, legatee, or devisee of an estate, the deduction for depreciation allowed by Sections 17208 to 17212, inclusive, and the deduction allowed by Section 17681.

(f) In the case of an individual who is an employee within the meaning of Section 17502.2(a), the deductions allowed by Sections 17513 to 17525, inclusive, and Section 17526(c) to the extent attributable to contributions made on behalf of such individual.

(g) The deduction allowed by Section 17266.

(h) The deduction allowed by Section 17240 (relating to deduction of certain retirement savings).

(i) The deductions allowed by Section 17206 for losses incurred in any transaction entered into for profit, though not connected with a trade or business, to the extent that such losses include amounts forfeited to a bank, mutual savings bank, savings and loan association, building and loan association, cooperative bank or homestead association as a penalty for premature withdrawal of funds from a time savings account, certificate of deposit, or similar class of deposit.

(j) Nothing in this section shall permit the same item to be deducted more than once.

SEC. 3. Section 17112.5 of the Revenue and Taxation Code is amended to read:

17112.5. (a) In computing—

(1) The aggregate amount of premiums or other consideration paid for the contract for purposes of Section 17103(a)(1) (relating to the investment in the contract),

(2) The consideration for the contract contributed by the employee for purposes of Section 17104(a) (relating to employee's contributions recoverable in three years), and

(3) The aggregate premiums or other consideration paid for purposes of Section 17105 (relating to certain amounts not received as an annuity),

any amount allowed as a deduction with respect to the contract under Sections 17513 to 17525, inclusive, which was paid while the employee was an employee within the meaning of Section 17502.2(a) shall be treated as consideration contributed by the employer, and there shall not be taken into account any portion of the premiums or other consideration for the contract paid while the employee was an owner-employee which is properly allocable (as determined under regulations prescribed by the Franchise Tax Board) to the cost

of life, accident, health, or other insurance.

(b) (1) This subdivision shall apply to any life insurance contract—

(A) Purchased as a part of a plan described in Section 17511, or

(B) Purchased by a trust described in Section 17501 which is exempt from tax under Section 17631 if the proceeds of such contract are payable directly or indirectly to a participant in such trust or to a beneficiary of such participant.

(2) Any contribution to plan described in paragraph (1) (A) or a trust described in paragraph (1) (B) which is allowed as a deduction under Sections 17513 to 17525, inclusive, which is determined in accordance with regulations prescribed by the Franchise Tax Board to have been applied to purchase the life insurance protection under a contract described in paragraph (1), is includible in the gross income of the participant for the taxable year when so applied.

(3) In the case of the death of an individual insured under a contract described in paragraph (1), an amount equal to the cash surrender value of the contract immediately before the death of the insured shall be treated as a payment under such plan or a distribution by such trust, and the excess of the amount payable by reason of the death of the insured over such cash surrender value shall not be includible in gross income under this chapter and shall be treated as provided in Section 17132.

(c) (1) If during any taxable year an owner-employee assigns (or agrees to assign) or pledges (or agrees to pledge) any portion of his interest in a trust described in Section 17501 which is exempt from tax under Section 17631, an individual retirement account described in Section 17530(a), an individual retirement annuity described in Section 17530(b) or any portion of the value of a contract purchased as part of a plan described in Section 17511, such portion shall be treated as having been received by such owner-employee as a distribution from such trust or as an amount received under the contract.

(2) If during any taxable year, an owner-employee receives, directly or indirectly, any amount from any insurance company as a loan under a contract purchased by a trust described in Section 17501 which is exempt from tax under Section 17631 or purchased as part of a plan described in Section 17511, and issued by such insurance company, such amount shall be treated as an amount received under the contract.

(d) (1) This subdivision shall apply—

(A) To amounts (other than any amount received by an individual in his capacity as a policyholder of an annuity, endowment, or life insurance contract which is in the nature of a dividend or similar distribution) which are received from a qualified trust described in Section 17501 or under a plan described in Section 17511 and which are received by an individual, who is, or has been, an owner-employee, before such individual attains the age of 59½ years, for any reason other than the individual's becoming disabled

(within the meaning of subdivision (g) of this section), but only to the extent that such amounts are attributable to contributions paid on behalf of such individual (other than contributions made by him as an owner-employee) while he was an owner-employee, and

(B) To amounts which are received from a qualified trust described in Section 17501 or under a plan described in Section 17511 at any time by an individual who is, or has been, an owner-employee, or by the successor of such individual, but only to the extent that such amounts are determined, under regulations prescribed by the Franchise Tax Board, to exceed the benefits provided for such individual under the plan formula, and

(2) If a person receives an amount to which this subdivision applies, his tax under this chapter for the taxable year in which such amount is received shall be increased by an amount equal to 2.5 percent of the portion of the amount so received which is includible in his gross income for such taxable year.

(e) For purposes of this section, the term "owner-employee" has the meaning assigned to it by Section 17502.2(c) and includes an individual retirement account or annuity described in Section 17530(a) or (b) is maintained.

(f) For purposes of this chapter, an individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be disabled unless he furnishes proof of the existence thereof in such form and manner as the Franchise Tax Board may require.

SEC. 4. Section 17132 of the Revenue and Taxation Code is amended to read:

17132. (a) Gross income does not include amounts received (whether in a single sum or otherwise) by the beneficiaries or the estate of an employee, if such amounts are paid by or on behalf of an employer and are paid by reason of the death of the employee.

(b) (1) The aggregate amounts excludable under subdivision (a) with respect to the death of any employee shall not exceed five thousand dollars ($5,000).

(2) Subdivision (a) shall not apply to amounts with respect to which the employee possessed, immediately before his death, a nonforfeitable right to receive the amounts while living.

This subdivision shall not apply to total distributions payable (as defined in Section 17503(c)(3)) which are paid to a distributee within one taxable year of the distributee by reason of the employee's death—

(i) By a stock bonus, pension, or profit-sharing trust described in Section 17501 which is exempt from tax under Section 17631,

(ii) Under an annuity contract under a plan described in Section 17511, or

(iii) Under an annuity contract purchased by an employer which

is an organization referred to in Section 23701d of this code but only with respect to that portion of such total distributions payable which bears the same ratio to the amount of such total distributions payable which is (without regard to this section) includable in gross income, as the amounts contributed by the employer for such annuity contract which are excludable from gross income under Section 17512 bear to the total amounts contributed by the employer for such annuity contract.

(3) Subdivision (a) shall not apply to amounts received by a surviving annuitant under a joint and survivor's annuity contract after the first day of the first period for which an amount was received as an annuity by the employee (or would have been received if the employee had lived).

(4) In the case of any amount to which Sections 17101 to 17112, inclusive (relating to annuities, etc.), apply, the amount which is excludable under subdivisions (a) (as modified by this subdivision) shall be determined by reference to the value of such amount as of the day on which the employee died. Any amount so excludable under subdivision (a) shall, for purposes of Sections 17101 to 17112, inclusive, be treated as additional consideration paid by the employee. Subdivision (a) shall not apply in the case of an annuity under Chapter 73 of Title 10 of the United States Code if the member or former member of the uniformed services by reason of whose death such annuity is payable died after attaining retirement age.

(c) For purposes of this section, the term "employee" does not include an individual who is an employee within the meaning of Section 17502.2(a) (relating to self-employed individuals).

SEC. 5. Section 17157 of the Revenue and Taxation Code is amended to read:

17157. (a) In the case of a member or former member of the uniformed services of the United States, gross income does not include the amount of any reduction in his retired or retainer pay pursuant to the provisions of Chapter 73 of Title 10 of the United States Code.

(b) (1) In the case of any individual referred to in subdivision (a), all amounts received after December 31, 1965, as retired or retainer pay shall be excluded from gross income until there has been so excluded an amount equal to the consideration for the contract. The preceding sentence shall apply only to the extent that the amounts received would, but for such sentence, be includible in gross income.

(2) For purposes of paragraph (1) and Section 17107.5, the term "consideration for the contract" means, in respect of any individual, the sum of—

(A) The total amount of the reductions before January 1, 1966, in his retired or retainer pay by reason of an election under Chapter 73 of Title 10 of the United States Code, and

(B) Any amounts deposited at any time by him pursuant to Section 1438 or 1452(d) of such Title 10.

SEC. 6. Section 17204 of the Revenue and Taxation Code is

amended to read:

17204. (a) Except as otherwise provided in this section and Section 17205, the following taxes shall be allowed as a deduction for the taxable year within which paid or accrued:

(1) State and local, and foreign, real property taxes, less any amounts received from the state pursuant to the authorization contained in Section 1d of Article XIII of the Constitution;

(2) State and local personal property taxes;

(3) State and local general sales taxes;

(4) State and local taxes on the sale of gasoline, diesel fuel, and other motor fuels; and

In addition, there shall be allowed as a deduction state and local, and foreign, taxes not described in the preceding sentence which are paid or accrued within the taxable year in carrying on a trade or business or an activity described in Section 17252 (relating to expenses for production of income).

(b) For purposes of this section and Section 17205—

(1) The term "personal property tax" means an ad valorem tax which is imposed on an annual basis in respect of personal property, and for the purpose of allowing a deduction under this part, includes, but is not limited to, fees imposed as an excise tax under Section 10751 of the Revenue and Taxation Code.

(2) (A) The term "general sales tax" means a tax imposed at one rate in respect of the sale at retail of a broad range of classes of items.

(B) In the case of items of food, clothing, medical supplies, and motor vehicles—

(i) The fact that the tax does not apply in respect of some or all of such items shall not be taken into account in determining whether the tax applies in respect of a broad range of classes of items, and

(ii) The fact that the rate of tax applicable in respect of some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

(C) Except in the case of a lower rate of tax applicable in respect of an item described in subparagraph (B), no deduction shall be allowed under this section for any general sales tax imposed in respect of an item at a rate other than the general rate of tax.

(D) A compensating use tax in respect of an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term "compensating use tax" means, in respect of any item, a tax which—

(i) Is imposed on the use, storage, or consumption of such item, and

(ii) Is complementary to a general sales tax, but only if a deduction is allowable under subdivision (a) (3) in respect of items sold at retail in the taxing jurisdiction which are similar to such item.

(3) A state or local tax includes only a tax imposed by a state, a possession of the United States, or a political subdivision of any of the foregoing, or by the District of Columbia.

(4) A foreign tax includes only a tax imposed by the authority of a foreign country.

(5) If the amount of any general sales tax or of any tax on the sale of gasoline, diesel fuel, or other motor fuel is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer's trade or business) to his seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

(c) No deduction shall be allowed for the following taxes:

(1) Taxes paid or accrued to the state under this part;

(2) Taxes on or according to or measured by income or profits paid or accrued within the taxable year imposed by the authority of:

(A) The government of the United States or any foreign country;

(B) Any state, territory, county, city and county, school district, municipality, or other taxing subdivision of any state or territory;

(C) Taxes imposed by authority of the government of the United States include—

(i) The tax imposed by Section 3101 of the Internal Revenue Code of 1954 (relating to the tax on employees under the Federal Insurance Contributions Act);

(ii) The taxes imposed by Sections 3201 and 3211 of the Internal Revenue Code of 1954 (relating to the taxes on railroad employees and railroad employee representatives); and

(iii) The tax withheld on wages under Section 3402 of the Internal Revenue Code of 1954.

(3) Federal war profits and excess profits taxes.

(4) Estate, inheritance, legacy, succession, and gift taxes;

(5) Taxes computed as an addition to, or as a percentage of, taxes which are not deductible under this section;

(6) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed, but this does not exclude the allowance as a deduction of so much of the taxes assessed against local benefits as is properly allocable to maintenance or interest charges.

(7) Taxes on real property, to the extent that Section 17205 requires such taxes to be treated as imposed on another taxpayer.

(8) Taxes imposed by Sections 4971–4975 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to excise taxes on prohibited transactions and contributions).

SEC. 6.1. Section 17204 of the Revenue and Taxation Code is amended to read:

17204. (a) Except as otherwise provided in this section and Section 17205, the following taxes shall be allowed as a deduction for the taxable year within which paid or accrued:

(1) State and local, and foreign, real property taxes, less any amounts received from the state pursuant to the authorization contained in Section 1d of Article XIII of the Constitution;(2) State and local personal property taxes;

(3) State and local general sales taxes;

(4) State and local taxes on the sale of gasoline, diesel fuel, and other motor fuels;

(5) Real property transfer tax; and

In addition, there shall be allowed as a deduction state and local, and foreign, taxes not described in the preceding sentence which are paid or accrued within the taxable year in carrying on a trade or business or an activity described in Section 17252 (relating to expenses for production of income).

(b) For purposes of this section and Section 17205—

(1) The term "personal property tax" means an ad valorem tax which is imposed on an annual basis in respect of personal property, and for the purpose of allowing a deduction under this part, includes, but is not limited to, fees imposed as an excise tax under Section 10751 of the Revenue and Taxation Code.

(2) (A) The term "general sales tax" means a tax imposed at one rate in respect of the sale at retail of a broad range of classes of items.

(B) In the case of items of food, clothing, medical supplies, and motor vehicles—

(i) The fact that the tax does not apply in respect of some or all of such items shall not be taken into account in determining whether the tax applies in respect of a broad range of classes of items, and

(ii) The fact that the rate of tax applicable in respect of some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

(C) Except in the case of a lower rate of tax applicable in respect of an item described in subparagraph (B), no deduction shall be allowed under this section for any general sales tax imposed in respect of an item at a rate other than the general rate of tax.

(D) A compensating use tax in respect of an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term "compensating use tax" means, in respect of any item, a tax which—

(i) Is imposed on the use, storage, or consumption of such item, and

(ii) Is complementary to a general sales tax, but only if a deduction is allowable under subdivision (a) (3) in respect of items sold at retail in the taxing jurisdiction which are similar to such item.

(3) A state or local tax includes only a tax imposed by a state, a possession of the United States, or a political subdivision of any of the foregoing, or by the District of Columbia.

(4) A foreign tax includes only a tax imposed by the authority of a foreign country.

(5) If the amount of any general sales tax or of any tax on the sale of gasoline, diesel fuel, or other motor fuel is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer's trade or business) to his seller, such amount shall be treated as a tax imposed

on, and paid by, such consumer.

(c) No deduction shall be allowed for the following taxes:

(1) Taxes paid or accrued to the state under this part;

(2) Taxes on or according to or measured by income or profits paid or accrued within the taxable year imposed by the authority of:

(A) The government of the United States or any foreign country;

(B) Any state, territory, county, city and county, school district, municipality, or other taxing subdivision of any state or territory;

(C) Taxes imposed by authority of the government of the United States include—

(i) The tax imposed by Section 3101 of the Internal Revenue Code of 1954 (relating to the tax on employees under the Federal Insurance Contributions Act);

(ii) The taxes imposed by Sections 3201 and 3211 of the Internal Revenue Code of 1954 (relating to the taxes on railroad employees and railroad employee representatives); and

(iii) The tax withheld on wages under Section 3402 of the Internal Revenue Code of 1954.

(3) Federal war profits and excess profits taxes.

(4) Estate, inheritance, legacy, succession, and gift taxes;

(5) Taxes computed as an addition to, or as a percentage of, taxes which are not deductible under this section;

(6) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed, but this does not exclude the allowance as a deduction of so much of the taxes assessed against local benefits as is properly allocable to maintenance or interest charges.

(7) Taxes on real property, to the extent that Section 17205 requires such taxes to be treated as imposed on another taxpayer.

(8) Taxes imposed by Sections 4971–4975 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to excise taxes on prohibited transactions and contributions).

SEC. 6.2. Section 17204 of the Revenue and Taxation Code is amended to read:

17204. (a) Except as otherwise provided in this section and Section 17205, the following taxes shall be allowed as a deduction for the taxable year within which paid or accrued:

(1) State and local, and foreign, real property taxes, less any amounts received from the state pursuant to the authorization contained in Section 16123 of the Government Code;

(2) State and local personal property taxes;

(3) State and local general sales taxes;

(4) State and local taxes on the sale of gasoline, diesel fuel, and other motor fuels; and

In addition, there shall be allowed as a deduction state and local, and foreign, taxes not described in the preceding sentence which are paid or accrued within the taxable year in carrying on a trade or business or an activity described in Section 17252 (relating to

expenses for production of income).

(b) For purposes of this section and Section 17205—

(1) The term "personal property tax" means an ad valorem tax which is imposed on an annual basis in respect of personal property, and for the purpose of allowing a deduction under this part, includes, but is not limited to, fees imposed as an excise tax under Section 10751 of the Revenue and Taxation Code.

(2) (A) The term "general sales tax" means a tax imposed at one rate in respect of the sale at retail of a broad range of classes of items.

(B) In the case of items of food, clothing, medical supplies, and motor vehicles—

(i) The fact that the tax does not apply in respect of some or all of such items shall not be taken into account in determining whether the tax applies in respect of a broad range of classes of items, and

(ii) The fact that the rate of tax applicable in respect of some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

(C) Except in the case of a lower rate of tax applicable in respect of an item described in subparagraph (B), no deduction shall be allowed under this section for any general sales tax imposed in respect of an item at a rate other than the general rate of tax.

(D) A compensating use tax in respect of an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term "compensating use tax" means, in respect of any item, a tax which—

(i) Is imposed on the use, storage, or consumption of such item, and

(ii) Is complementary to a general sales tax, but only if a deduction is allowable under subdivision (a) (3) in respect of items sold at retail in the taxing jurisdiction which are similar to such item.

(3) A state or local tax includes only a tax imposed by a state, a possession of the United States, or a political subdivision of any of the foregoing, or by the District of Columbia.

(4) A foreign tax includes only a tax imposed by the authority of a foreign country.

(5) If the amount of any general sales tax or of any tax on the sale of gasoline, diesel fuel, or other motor fuel is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer's trade or business) to his seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

(c) No deduction shall be allowed for the following taxes:

(1) Taxes paid or accrued to the state under this part;

(2) Taxes on or according to or measured by income or profits paid or accrued within the taxable year imposed by the authority of:

(A) The government of the United States or any foreign country;

(B) Any state, territory, county, city and county, school district, municipality, or other taxing subdivision of any state or territory;

(C) Taxes imposed by authority of the government of the United States include—

(i) The tax imposed by Section 3101 of the Internal Revenue Code of 1954 (relating to the tax on employees under the Federal Insurance Contributions Act);

(ii) The taxes imposed by Sections 3201 and 3211 of the Internal Revenue Code of 1954 (relating to the taxes on railroad employees and railroad employee representatives); and

(iii) The tax withheld on wages under Section 3402 of the Internal Revenue Code of 1954.

(3) Federal war profits and excess profits taxes.

(4) Estate, inheritance, legacy, succession, and gift taxes;

(5) Taxes computed as an addition to, or as a percentage of, taxes which are not deductible under this section;

(6) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed, but this does not exclude the allowance as a deduction of so much of the taxes assessed against local benefits as is properly allocable to maintenance or interest charges.

(7) Taxes on real property, to the extent that Section 17205 requires such taxes to be treated as imposed on another taxpayer.

(8) Taxes imposed by Sections 4971–4975 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to excise taxes on prohibited transactions and contributions).

SEC. 6.3. Section 17204 of the Revenue and Taxation Code is amended to read:

17204. (a) Except as otherwise provided in this section and Section 17205, the following taxes shall be allowed as a deduction for the taxable year within which paid or accrued:

(1) State and local, and foreign, real property taxes, less any amounts received from the state pursuant to the authorization contained in Section 16123 of the Government Code;

(2) State and local personal property taxes;

(3) State and local general sales taxes;

(4) State and local taxes on the sale of gasoline, diesel fuel, and other motor fuels;

(5) Real property transfer tax; and

In addition, there shall be allowed as a deduction state and local, and foreign, taxes not described in the preceding sentence which are paid or accrued within the taxable year in carrying on a trade or business or an activity described in Section 17252 (relating to expenses for production of income).

(b) For purposes of this section and Section 17205—

(1) The term "personal property tax" means an ad valorem tax which is imposed on an annual basis in respect of personal property, and for the purpose of allowing a deduction under this part, includes, but is not limited to, fees imposed as an excise tax under Section 10751 of the Revenue and Taxation Code.

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(2) (A) The term "general sales tax" means a tax imposed at one rate in respect of the sale at retail of a broad range of classes of items.

(B) In the case of items of food, clothing, medical supplies, and motor vehicles—

(i) The fact that the tax does not apply in respect of some or all of such items shall not be taken into account in determining whether the tax applies in respect of a broad range of classes of items, and

(ii) The fact that the rate of tax applicable in respect of some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

(C) Except in the case of a lower rate of tax applicable in respect of an item described in subparagraph (B), no deduction shall be allowed under this section for any general sales tax imposed in respect of an item at a rate other than the general rate of tax.

(D) A compensating use tax in respect of an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term "compensating use tax" means, in respect of any item, a tax which—

(i) Is imposed on the use, storage, or consumption of such item, and

(ii) Is complementary to a general sales tax, but only if a deduction is allowable under subdivision (a) (3) in respect of items sold at retail in the taxing jurisdiction which are similar to such item.

(3) A state or local tax includes only a tax imposed by a state, a possession of the United States, or a political subdivision of any of the foregoing, or by the District of Columbia.

(4) A foreign tax includes only a tax imposed by the authority of a foreign country.

(5) If the amount of any general sales tax or of any tax on the sale of gasoline, diesel fuel, or other motor fuel is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer's trade or business) to his seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

(c) No deduction shall be allowed for the following taxes:

(1) Taxes paid or accrued to the state under this part;

(2) Taxes on or according to or measured by income or profits paid or accrued within the taxable year imposed by the authority of:

(A) The government of the United States or any foreign country;

(B) Any state, territory, county, city and county, school district, municipality, or other taxing subdivision of any state or territory;

(C) Taxes imposed by authority of the government of the United States include—

(i) The tax imposed by Section 3101 of the Internal Revenue Code of 1954 (relating to the tax on employees under the Federal Insurance Contributions Act);

(ii) The taxes imposed by Sections 3201 and 3211 of the Internal Revenue Code of 1954 (relating to the taxes on railroad employees

and railroad employee representatives); and

(iii) The tax withheld on wages under Section 3402 of the Internal Revenue Code of 1954.

(3) Federal war profits and excess profits taxes.

(4) Estate, inheritance, legacy, succession, and gift taxes;

(5) Taxes computed as an addition to, or as a percentage of, taxes which are not deductible under this section;

(6) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed, but this does not exclude the allowance as a deduction of so much of the taxes assessed against local benefits as is properly allocable to maintenance or interest charges.

(7) Taxes on real property, to the extent that Section 17205 requires such taxes to be treated as imposed on another taxpayer.

(8) Taxes imposed by Sections 4971–4975 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to excise taxes on prohibited transactions and contributions).

SEC. 7. Section 17240 is added to the Revenue and Taxation Code, to read:

17240. (a) In the case of an individual, there is allowed as a deduction amounts paid in cash during the taxable year by or on behalf of such individual for his benefit—

(1) To an individual retirement account described in Section 17530(a).

(2) For an individual retirement annuity described in Section 17530(b), or

(3) For a retirement bond described in Section 17530.1 (but only if the bond is not redeemed within 12 months of the date of its issuance).

For purposes of this title, any amount paid by an employer to such a retirement account or for such a retirement annuity or retirement bond constitutes payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of Section 17502.2(a)) includible in his gross income, whether or not a deduction for such payment is allowable under this section to the employee after the application of subdivision (b).

(b) Limitations and Restrictions. (1) The amount allowable as a deduction under subdivision (a) to an individual for any taxable year may not exceed an amount equal to 15 percent of the compensation includible in his gross income for such taxable year, or one thousand five hundred dollars ($1,500), whichever is less.

(2) No deduction is allowed under subdivision (a) for an individual for the taxable year if for any part of such year—

(A) He was an active participant in—

(i) A plan described in Section 17501 which includes a trust exempt from tax under Section 17631,

(ii) An annuity plan described in Section 17511,

(iii) A qualified bond purchase plan described in Section

17526(a), or

(iv) A plan established for its employees by the United States, by a state or political division thereof, or by an agency or instrumentality of any of the foregoing, or

(B) Amounts were contributed by his employer for an annuity contract described in Section 17512 (whether or not his rights in such contract are nonforfeitable).

(3) No deduction is allowed under subdivision (a) with respect to any payment described in subdivision (a) which is made during the taxable year of an individual who has attained age 70½ before the close of such taxable year.

(4) No deduction is allowed under this section with respect to a rollover contribution described in Section 17503(e), 17511(c), 17530(d)(3), or 17530.1(b)(3)(C).

(5) In the case of an endowment contract described in Section 17530(b), no deduction is allowed under subdivision (a) for that portion of the amounts paid under the contract for the taxable year properly allocable, under regulations prescribed by the Franchise Tax Board, to the cost of life insurance.

(c) (1) For purposes of this section, the term "compensation" includes earned income as defined in Section 17502.2(b).

(2) In the case of married individuals the maximum deduction under subdivision (b)(1) shall be computed separately for each individual.

SEC. 8. Section 17501 of the Revenue and Taxation Code is amended to read:

17501. A trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall constitute a qualified trust under this article—

(a) If contributions are made to the trust by such employer, or employees, or both, or by another employer who is entitled to deduct his contributions under Section 17516(b) (relating to deduction for contributions to profit-sharing and stock bonus plans), for the purpose of distributing to such employees or their beneficiaries the corpus and income of the fund accumulated by the trust in accordance with such plan;

(b) If under the trust instrument it is impossible, at any time prior to the satisfaction of all liabilities with respect to employees and their beneficiaries under the trust, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, purposes other than for the exclusive benefit of his employees or their beneficiaries;

(c) If the plan of which such trust is a part satisfies the requirements of Section 410 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to minimum participation standards); and

(d) If the contributions or the benefits provided under the plan do not discriminate in favor of employees who are (1) officers, (2)

shareholders, or (3) highly compensated. For purposes of this subdivision, there shall be excluded from consideration employees described in Section 410(b)(2)(A) and (C) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(e) A classification shall not be considered discriminatory within the meaning of subdivision (d) or Section 410(b) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (without regard to paragraph (1)(A) thereof) merely because it excludes employees the whole of whose remuneration constitutes "wages" under Section 3121(a)(1) of the Internal Revenue Code (relating to the Federal Insurance Contribution Act) or merely because it is limited to salaried or clerical employees. Neither shall a plan be considered discriminatory within the meaning of such provisions merely because the contributions or benefits of or on behalf of the employees under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees, or merely because the contributions or benefits based on that part of an employee's remuneration which is excluded from "wages" by Section 3121(a)(1) of the Internal Revenue Code, or of the California Unemployment Insurance Act differ from the contributions or benefits based on employee's remuneration not so excluded, or differ because of any retirement benefits created under state or federal law.

For purposes of this subdivision and subdivision (j), the total compensation of an individual who is an employee within the meaning of Section 17502.2(a) means such individual's earned income (as defined in Section 17502.2(b)), and the basic or regular rate of compensation of such an individual shall be determined, under regulations prescribed by the Franchise Tax Board, with respect to that portion of his earned income which bears the same ratio to his earned income as the basic or regular compensation of the employees under the plan bears to the total compensation of such employees. For purposes of determining whether two or more plans of an employer satisfy the requirements of subdivision (d) when considered as a single plan, if the amount of contributions on behalf of the employees allowed as a deduction under Sections 17513 to 17525.1, inclusive, for the taxable year with respect to such plans, taken together, bears a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees, the plans shall not be considered discriminatory merely because the rights of employees to, or derived from, the employer contributions under the separate plans do not become nonforfeitable at the same rate. For the purposes of determining whether two or more plans of an employer satisfy the requirements of subdivision (d) when considered as a single plan, if the employees' right to benefits under the separate plans do not become nonforfeitable at the same rate, but the levels of benefits provided by the separate

plans satisfy the requirements of regulations prescribed by the Franchise Tax Board to take account of the differences in such rates, the plans shall not be considered discriminatory merely because of the difference in such rates.

(f) A plan shall be considered as meeting the requirements of subdivision (c) during the whole of any taxable year of the plan if on one day in each quarter it satisfied such requirements.

(g) A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part satisfies the requirements of Section 411 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to minimum vesting standards).

(h) A trust forming part of a pension plan shall not constitute a qualified trust under this article unless the plan provides that forfeitures must not be applied to increase the benefits any employee would otherwise receive under the plan.

(i) In the case of a plan which provides contributions or benefits for employees some or all of whom are employees within the meaning of Section 17502.2(a), a trust forming part of such plan shall not constitute a qualified trust under this article unless, under the plan, the entire interest of each employee—

(1) Either will be distributed to him not later than his taxable year in which he attains the age of 70½ years, or, in the case of an employee other than an owner-employee (as defined in Section 17502.2(c)), in which he retires, whichever is the later, or

(2) Will be distributed, commencing not later than such taxable year, (A) in accordance with regulations prescribed by the Franchise Tax Board, over the life of such employee or over the lives of such employee and his spouse, or (B) in accordance with such regulations, over a period not extending beyond the life expectancy of such employee or the life expectancy of such employee and his spouse.

A trust shall not be disqualified under this subdivision by reason of distributions under a designation, prior to the date of the enactment of this subdivision, by any employee under the plan of which such trust is a part, of a method of distribution which does not meet the terms of the preceding sentence.

(j) In the case of a plan which provides contributions or benefits for employees some or all of whom are owner-employees (as defined in Section 17502.2(c))—

(1) Subdivision (c), the first and second sentences of subdivision (e), and Section 410 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) shall not apply, but—

(A) Such plan shall not be considered discriminatory within the meaning of subdivision (d) merely because the contributions or benefits of or on behalf of employees under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees, and

(B) Such plan shall not be considered discriminatory within the meaning of subdivision (d) solely because under the plan contributions described in Section 17502.4 which are in excess of the amounts which may be deducted under Sections 17513 to 17525.1, inclusive, for the taxable year may be made on behalf of any owner-employee;

and

(2) A trust forming a part of such plan shall constitute a qualified trust under this section only if the requirements in Section 17502.3 are also met.

(k) (1) A trust shall not constitute a qualified trust under this section if the plan of which such trust is a part provides for the payment of benefits in the form of an annuity unless such plan provides for the payment of annuity benefits in a form having the effect of a qualified joint and survivor annuity.

(2) Notwithstanding the provisions of paragraph (1), in the case of a plan which provides for the payment of benefits before the normal retirement age (as defined in Section 411(a)(8) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406)), the plan is not required to provide for the payment of annuity benefits in a form having the effect of a qualified joint and survivor annuity during the period beginning on the date on which the employee enters into the plan as a participant and ending on the later of—

(A) The date the employee reaches the earliest retirement age under the plan, or

(B) The first day of the 120th month beginning before the date on which the employee reaches normal retirement age.

(3) A plan described in paragraph (2) does not meet the requirements of paragraph (1) unless, under the plan, a participant has a reasonable period during which he may elect the qualified joint and annuity form with respect to the period beginning on the date on which the period described in paragraph (2) ends and ending on the date on which he reaches normal retirement age (as defined in Section 411(a)(8) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406)) if he continues his employment during that period. A plan does not meet the requirements of this paragraph unless, in the case of such an election, the payments under the survivor annuity are not less than the payments which would have been made under the joint annuity to which the participant would have been entitled if he made an election described in this paragraph immediately prior to his retirement and if his retirement had occurred on the day before his death and within the period within which an election can be made.

(4) A plan shall not be treated as not satisfying the requirements of this subdivision solely because the spouse of the participant is not entitled to receive a survivor annuity (whether or not an election described in paragraph (3) has been made under paragraph (3))

unless the participant and his spouse have been married throughout the one-year period ending on the date of such participant's death.

(5) A plan shall not be treated as satisfying the requirements of this subdivision unless, under the plan, each participant has a reasonable period (as prescribed by the regulations of the Franchise Tax Board) before the annuity starting date during which he may elect in writing (after having received a written explanation of the terms and conditions of the joint and survivor annuity and the effect of an election under this paragraph) not to take such joint and survivor annuity.

(6) A plan shall not be treated as not satisfying the requirements of this subdivision solely because under the plan there is a provision that any election described in paragraph (3) or (5), and any revocation of any such election, does not become effective (or ceases to be effective) if the participant dies within a period (not in excess of two years) beginning on the date of such election or revocation, as the case may be. The preceding sentence does not apply unless the plan provision described in the preceding sentence also provides that such an election or revocation will be given effect in any case in which—

(A) The participant dies from accidental causes,

(B) A failure to give effect to the election or revocation would deprive the participant's survivor of a survivor annuity, and

(C) Such election or revocation is made before such accident occurred.

(7) For purposes of this subdivision—

(A) The term "annuity starting date" means the first day of the first period for which an amount is received as an annuity (whether by reason of retirement or by reason of disability),

(B) The term "earliest retirement age" means the earliest date on which, under the plan, the participant could elect to receive retirement benefits, and

(C) The term "qualified joint and survivor annuity" means an annuity for the life of the participant with a survivor annuity for the life of his spouse which is not less than one-half of, or greater than, the amount of the annuity payable during the joint lives of the participant and his spouse and which is the actuarial equivalent of a single life annuity for the life of the participant.

For purposes of this subdivision, a plan may take into account in any equitable manner (as determined by the Franchise Tax Board) any increased costs resulting from providing joint and survivor annuity benefits.

(8) This subdivision shall apply only if—

(A) The annuity starting date did not occur before the effective date of this subdivision, and

(B) The participant was an active participant in the plan on or after such effective date.

(*l*) A trust shall not constitute a qualified trust under this article unless the plan of which such trust is a part provides that in the case

of any merger or consolidation with, or transfer of assets or liabilities to, any other plan after the date of the enactment of the Employee Retirement Income Security Act of 1974 (P.L. 93-406), each participant in the plan would (if the plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the plan had then terminated). This subdivision shall apply in the case of a multiemployer plan only to the extent determined by the Pension Benefit Guaranty Corporation.

(m) A trust shall not constitute a qualified trust under this article unless the plan of which such trust is a part provides that benefits provided under the plan may not be assigned or alienated. For purposes of the preceding sentence, there shall not be taken into account any voluntary and revocable assignment of not to exceed 10 percent of any benefit payment made by any participant who is receiving benefits under the plan unless the assignment or alienation is made for purposes of defraying plan administration costs. For purposes of this subdivision a loan made to a participant or beneficiary shall not be treated as an assignment or alienation if such loan is secured by the participant's accrued nonforfeitable benefit and is exempt from the tax imposed by Section 4975 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to tax on prohibited transactions) by reason of Section 4975(d)(1) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406). This paragraph shall take effect on January 1, 1976, and shall not apply to assignments which were irrevocable on the date of the enactment of the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(n) A trust shall not constitute a qualified trust under this article unless the plan of which such trust is a part provides that, unless the participant otherwise elects, the payment of benefits under the plan to the participant will begin not later than the 60th day after the latest of the close of the plan year in which—

(1) The date on which the participant attains the earlier of age 65 or the normal retirement age specified under the plan,

(2) Occurs the 10th anniversary of the year in which the participant commenced participation in the plan, or

(3) The participant terminates his service with the employer. In the case of a plan which provides for the payment of an early retirement benefit, a trust forming a part of such plan shall not constitute a qualified trust under this article unless a participant who satisfied the service requirements for such early retirement benefit, but separated from the service (with any nonforfeitable right to an accrued benefit) before satisfying the age requirement for such early retirement benefit, is entitled upon satisfaction of such age

requirement to receive a benefit not less than the benefit to which he would be entitled at the normal retirement age, actuarially reduced under regulations prescribed by the Franchise Tax Board.

(o) A trust shall not constitute a qualified trust under this article unless under the plan of which such trust is a part—

(1) In the case of a participant or beneficiary who is receiving benefits under such plan, or

(2) In the case of a participant who is separated from the service and who has nonforfeitable rights to benefits,

such benefits are not decreased by reason of any increase in the benefit levels payable under Title II of the Social Security Act or any increase in the wage base under such Title II, if such increase takes place after the date of the enactment of the Employee Retirement Income Security Act of 1974 (P.L. 93-406) or (if later) the earlier of the date of first receipt of such benefits or the date of such separation, as the case may be.

(p) A trust shall not constitute a qualified trust under this article if the plan of which such trust is a part provides for benefits or contributions which exceed the limitations of Section 415 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(q) In the case of a plan which provides contributions or benefits for employees some or all of whom are employees within the meaning of Section 17502.2, only if the annual compensation of each employee taken into account under the plan does not exceed the first one hundred thousand dollars ($100,000) of such compensation.

(r) In the case of a trust which is part of a plan providing a defined benefit for employees some or all of whom are employees within the meaning of Section 17502.2, only if such plan satisfies the requirements of Section 17502.9.

(s) A trust shall not constitute a qualified trust under this article if under the plan of which such trust is a part any part of a participant's accrued benefit derived from employer contributions (whether or not otherwise nonforfeitable), is forfeitable solely because of withdrawal by such participant of any amount attributable to the benefit derived from contributions made by such participant. The preceding sentence shall not apply to the accrued benefit of any participant unless, at the time of such withdrawal, such participant has a nonforfeitable right to at least 50 percent of such accrued benefit (as determined under Section 411 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406). The first sentence of this paragraph shall not apply to the extent that an accrued benefit is permitted to be forfeited in accordance with Section 411(a)(3)(D)(iii) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to proportional forfeitures of benefits accrued before enactment of the Employee Retirement Income Security Act of 1974 (P.L. 93-406), in the event of withdrawal of certain

mandatory contributions).

Subdivisions (k), (*l*), (m), (n), (o), and (s) shall apply only in the case of a plan to which Section 411 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to minimum vesting standards) applies without regard to subsection (e) (2) of such section.

SEC. 9. Section 17502 of the Revenue and Taxation Code is repealed.

SEC. 10. Section 17502 is added to the Revenue and Taxation Code, to read:

17502. A stock bonus, pension, profit-sharing, or annuity plan shall be considered as satisfying the requirements of Section 17501 for the period beginning with the date on which it was put into effect, or for the period beginning with the earlier of the date on which there was adopted or put into effect any amendment which caused the plan to fail to satisfy such requirements, and ending with the time prescribed by law for filing the return of the employer for his taxable year in which such plan or amendment was adopted (including extensions thereof) or such later time as the Franchise Tax Board may designate, if all provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes for the whole of such period.

SEC. 11. Section 17502.3 of the Revenue and Taxation Code is amended to read:

17502.3. A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this article only if, in addition to meeting the requirements of Section 17501, the following requirements of this section are met by the trust and by the plan of which such trust is a part:

(a) In the case of a trust which is created on or after November 10, 1969, or which was created before such date but is not exempt from tax under Section 17631 as an organization described in Section 17501 on the day before such date, the assets thereof are held by a bank or other person who demonstrates to the satisfaction of the Franchise Tax Board that the manner in which he will administer the trust will be consistent with the requirements of this article. A trust shall not be disqualified under this subdivision merely because a person (including the employer) other than the trustee or custodian so administering the trust may be granted, under the trust instrument, the power to control the investment of the trust funds either by directing investments (including reinvestments, disposals, and exchanges) or by disapproving proposed investments (including reinvestments, disposals, or exchanges). This subdivision shall not apply to a trust created or organized outside the United States before November 10, 1969, if, under Section 17505, it is treated as exempt from tax under Section 17631 on the day before such date; or, to the extent provided under regulations prescribed by the Franchise Tax

Board, to a trust which uses annuity, endowment, or life insurance contracts of a life insurance company exclusively to fund the benefits prescribed by the trust, if the life insurance company supplies annually such information about trust transactions affecting owner-employees as the Franchise Tax Board shall by forms or regulations prescribe. For purposes of this section, the term "bank" means a bank as defined in Section 581 of the Internal Revenue Code of 1954, an insured credit union (within the meaning of Section 101(6) of the Federal Credit Union Act), a corporation which under the laws of the state of its incorporation is subject to supervision and examination by the commissioner of banking or other officer of such state in charge of the administration of the banking laws of such state, and, in the case of a trust created or organized outside the United States, a bank or trust company, wherever incorporated, exercising fiduciary powers and subject to supervision and examination by governmental authority.

(b) Under the plan—

(1) The employees' rights to or derived from the contributions under the plan are nonforfeitable at the time the contributions are paid to or under the plan; and

(2) In the case of a profit-sharing plan, there is a definite formula for determining the contributions to be made by the employer on behalf of employees (other than owner-employees).

Subdivision (b)(1) shall not apply to contributions which, under provisions of the plan adopted pursuant to regulations prescribed by the Franchise Tax Board to preclude the discrimination prohibited by Section 17501(d), may not be used to provide benefits for designated employees in the event of early termination of the plan.

(c) (1) The plan benefits each employee having three or more years of service (within the meaning of Section 410(a)(3) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(2) For purposes of paragraph (1), the term "employee" does not include—

(A) Any employee included in a unit of employees covered by a collective-bargaining agreement described in Section 410(b)(2)(A) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406), and

(B) Any employee who is a nonresident alien individual described in Section 410(b)(2)(C) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(d) Under the plan—

(1) Contributions or benefits are not provided for any owner-employee unless such owner-employee has consented to being included under the plan; and

(2) No benefits in excess of contributions made by an owner-employee as an employee may be paid to any owner-employee except in the case of his becoming disabled (within

the meaning of Section 17112.5), prior to his attaining the age of 59½ years.

(e) The plan does not permit—

(1) Contributions to be made by the employer on behalf of any owner-employee in excess of the amounts which may be deducted under Sections 17513 to 17525, inclusive, for the taxable year;

(2) In the case of a plan which provides contributions or benefits only for owner-employees, contributions to be made on behalf of any owner-employee in excess of the amounts which may be deducted under Sections 17513 to 17525, inclusive, for the taxable year; and

(3) If a distribution under the plan is made to any employee and if any portion of such distribution is an amount described in Section 17112.5, contributions to be made on behalf of such employee for the five taxable years succeeding the taxable year in which such distribution is made.

Paragraphs (1) and (2) do not apply to contributions described in Section 17502.4.

(f) Except as provided in this subdivision, the plan meets the requirements of Section 17501(d) without taking into account for any purpose contributions or benefits under Chapter 2 (relating to tax on self-employment income) and Chapter 21 (relating to Federal Insurance Contributions Act) of the Internal Revenue Code of 1954, Title II of the Social Security Act, as amended, or any other federal or state law. If—

(1) Of the contributions deductible under Sections 17513 to 17525, inclusive, not more than one-third is deductible by reason of contributions by the employer on behalf of owner-employees, and

(2) Taxes paid by the owner-employees under Chapter 2 of the Internal Revenue Code of 1954 (relating to tax on self-employment income), and the taxes which would be payable under such Chapter 2 by the owner-employees but for paragraphs (4) and (5) of Section 1402(c) of the Internal Revenue Code of 1954, are taken into account as contributions by the employer on behalf of such owner-employees,

then taxes paid under Section 3111 of the Internal Revenue Code of 1954 (relating to tax on employers) with respect to an employee may, for purposes of Section 17501(d), be taken into account as contributions by the employer for such employee under the plan.

(g) Under the plan, if an owner-employee dies before his entire interest has been distributed to him, or if distribution has been commenced in accordance with Section 17501(i)(2) to his surviving spouse and such surviving spouse dies before his entire interest has been distributed to such surviving spouse, his entire interest (or the remaining part of such interest if distribution thereof has commenced) will, within five years after his death (or the death of his surviving spouse), be distributed, or applied to the purchase of an immediate annuity for his beneficiary or beneficiaries (or the

beneficiary or beneficiaries of his surviving spouse) which will be payable for the life of such beneficiary or beneficiaries (or for a term certain not extending beyond the life expectancy of such beneficiary or beneficiaries) and which will be immediately distributed to such beneficiary or beneficiaries. The preceding sentence shall not apply if distribution of the interest of an owner-employee has commenced and such distribution is for a term certain over a period permitted under Section 17501(i)(2)(B).

(h) (1) If the plan provides contributions or benefits for an owner-employee who controls, or for two or more owner-employees who together control, the trade or business with respect to which the plan is established, and who also control as an owner-employee or as owner-employees one or more other trades or businesses, such plan and the plans established with respect to such other trades or businesses, when coalesced, constitute a single plan which meets the requirements of Section 17501 (including subdivision (i) thereof) and of this section with respect to the employees of all such trades or businesses (including the trade or business with respect to which the plan intended to qualify under this section is established).

(2) For purposes of paragraph (1), an owner-employee, or two or more owner-employees, shall be considered to control a trade or business if such owner-employee, or such two or more owner-employees together—

(A) Own the entire interest in an unincorporated trade or business, or

(B) In the case of a partnership, own more than 50 percent of either the capital interest or the profits interest in such partnership.

For purposes of the preceding sentence, an owner-employee, or two or more owner-employees, shall be treated as owning any interest in a partnership which is owned, directly or indirectly, by a partnership which such owner-employee, or such two or more owner-employees, are considered to control within the meaning of the preceding sentence.

(i) The plan does not provide contributions or benefits for any owner-employee who controls (within the meaning of subdivision (h)(2)), or for two or more owner-employees who together control, as an owner-employee or as owner-employees, any other trade or business, unless the employees of each trade or business which such owner-employee or such owner-employees control are included under a plan which meets the requirements of Section 17501 (including subdivision (j) thereof) and of this section, and provides contributions and benefits for employees which are not less favorable than contributions and benefits provided for owner-employees under the plan.

(j) Under the plan, contributions on behalf of any owner-employee may be made only with respect to the earned income of such owner-employee which is derived from the trade or business with respect to which such plan is established.

SEC. 12. Section 17502.4 of the Revenue and Taxation Code is repealed.

SEC. 13. Section 17502.4 is added to the Revenue and Taxation Code, to read:

17502.4. A contribution by the employer on behalf of an owner-employee is described in this section if—

(a) Under the plan such contribution is required to be applied (directly or through a trustee) to pay premiums or other consideration for one or more annuity, endowment, or life insurance contracts on the life of such owner-employee issued under the plan.

(b) The amount of such contribution exceeds the amount deductible under Sections 17513 to 17525.1, inclusive, with respect to contributions made by the employer on behalf of such owner-employee under the plan, and

(c) The amount of such contribution does not exceed the average of the amounts which were deductible under Sections 17513 to 17525.1, inclusive, with respect to contributions made by the employer on behalf of such owner-employee under the plan (or which would have been deductible if such section had been in effect) for the first three taxable years preceding the year in which the last such annuity, endowment, or life insurance contract was issued under the plan, and in which such owner-employee derived earned income from the trade or business with respect to which the plan is established, or for so many of such taxable years as such owner-employee was engaged in such trade or business and derived earned income therefrom.

In the case of any individual on whose behalf contributions described in subdivision (a) are made under more than one plan as an owner-employee during any taxable year, the preceding sentence does not apply if the amount of such contributions under all such plans for all such years exceeds two thousand five hundred dollars ($2,500).

SEC. 14. Section 17502.4a of the Revenue and Taxation Code is repealed.

SEC. 15. Section 17502.5 of the Revenue and Taxation Code is repealed.

SEC. 16. Section 17502.5 is added to the Revenue and Taxation Code, to read:

17502.5. For purposes of this part, a custodial account or an annuity contract shall be treated as a qualified trust under this article if—

(a) The custodial account or annuity contract would, except for the fact that it is not a trust, constitute a qualified trust under this article, and

(b) In the case of a custodial account the assets thereof are held by a bank (as defined in Section 17502.3(a)) or another person who demonstrates, to the satisfaction of the Franchise Tax Board, that the manner in which he will hold the assets will be consistent with

the requirements of this article.

For purposes of this part, in the case of a custodial account or annuity contract treated as a qualified trust under this article by reason of this section, the person holding the assets of such account or holding such contract shall be treated as the trustee thereof.

SEC. 17. Section 17502.9 is added to the Revenue and Taxation Code, to read:

17502.9. (a) A defined benefit plan satisfies the requirements of this section only if the basic benefit accruing under the plan for each plan year of participation by an employee within the meaning of Section 17502.2(a) is permissible under regulations prescribed by the Franchise Tax Board under this section to insure that there will be reasonable comparability (assuming level funding) between the maximum retirement benefits which may be provided with favorable tax treatment under this part for such employees under—

(1) Defined contribution plans,

(2) Defined benefit plans, and

(3) A combination of defined contribution plans and defined benefit plans.

(b) The regulations prescribed under this section shall provide that a plan does not satisfy the requirements of this section if, under the plan, the basic benefit of any employee within the meaning of Section 17502.2(a) may exceed the sum of the products for each plan year of participation of—

(1) His annual compensation (not in excess of $50,000) for such year, and

(2) The applicable percentage determined under subdivision (c).

(c) (1) Table. For purposes of subdivision (b), the applicable percentage for any individual for any plan year shall be based on the percentage shown on the following table opposite his age when his current period of participation in the plan began.

Age when participation began:	Applicable percentage
30 or less	6.5
35	5.4
40	4.4
45	3.6
50	3.0
55	2.5
60 or over	2.0

(2) The regulations prescribed under this section shall include provisions—

(A) For applicable percentages for ages between any two ages shown on the table,

(B) For adjusting the applicable percentages in the case of plans providing benefits other than a basic benefit,

(C) That any increase in the rate of accrual, and any increase in

the compensation base which may be taken into account, shall, with respect only to such increase, begin a new period of participation in the plan, and

(D) When appropriate, in the case of periods beginning after December 31, 1977, for adjustments in the applicable percentages based on changes in prevailing interest and mortality rates occurring after 1973.

(d) A defined benefit plan which provides contributions or benefits for owner-employees does not satisfy the requirements of this section unless such plan meets the requirements of Section 17501(d) without taking into account contributions or benefits under Chapter 2 of the Internal Revenue Code of 1954 (relating to tax on self-employment income), Chapter 21 (relating to Federal Insurance Contributions Act), Title II of the Social Security Act, or any other federal or state law.

(e) For purposes of this section—

(1) The term "basic benefit" means a benefit in the form of a straight life annuity commencing at the later of—

(A) Age 65, or

(B) The day five years after the day the participant's current period of participation began—

Under a plan which provides no ancillary benefits and to which employees do not contribute.

(2) The term "compensation" means in the case of an employee within the meaning of Section 17502.2(a) the earned income of such individual.

(f) Section 17524 (relating to special limitations for self-employed individuals) does not apply to a trust to which this section applies.

SEC. 18. Section 17503 of the Revenue and Taxation Code is amended to read:

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

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

amount contributed by the employee (determined by applying Section 17106), which employee contributions shall be reduced by any amount theretofore distributed to him which were not includable in gross income, shall be considered a gain from the sale or exchange of a capital asset held for more than five years.

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

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

(c) For purposes of this section—

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

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

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

(4) The term "employee contributions," as used in this section, means the amounts contributed by the employee (determined by applying Section 17106), which employee contributions shall be reduced by amounts theretofore distributed to him which were not includable in gross income.

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

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

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

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

(e) In the case of an employees' trust described in Section 17501 which is exempt from tax under Section 17631, if—

(1) The balance to the credit of an employee is paid to him—

(A) Within one taxable year of the employee on account of a termination of the plan of which the trust is a part or a complete discontinuance of contributions under such plan, or

(B) In one or more distributions which constitute a lump-sum distribution within the meaning of Section 402(e)(4)(A) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (determined without reference to subsection (e)(4)(B)).

(2) (A) The employee transfers all the property he receives in such distribution to an individual retirement account described in Section 17530(a), an individual retirement annuity described in Section 17530(b) (other than an endowment contract), or a retirement bond described in Section 17530.1, on or before the 60th day after the day on which he received such property, to the extent the fair market value of such property exceeds the employee contributions as defined in subparagraph (4) of subdivision (c), or

(B) The employee transfers all the property he receives in such distribution to an employees' trust described in Section 17501 which is exempt from tax under Section 17631, or to an annuity plan described in Section 17511 on or before the 60th day after the day on which he received such property, to the extent the fair market value of such property exceeds the employee contributions as defined in subparagraph (4) of subdivision (c) and

(3) The amount so transferred consists of the property (other than money) distributed, to the extent that the fair market value of such property does not exceed the amount required to be transferred pursuant to paragraph (2),

then such distributions are not includable in gross income for the year in which paid. For purposes of this part, a transfer described in paragraph (2)(A) shall be treated as a rollover contribution as described in Section 17530(d)(3). Paragraph (2)(B) does not apply in the case of a transfer to an employees' trust, or annuity plan if any part of a payment described in paragraph (1) is attributable to a trust forming part of a plan under which the employee was an employee within the meaning of Section 17502.2(a) at the time contributions were made on his behalf under the plan.

For purposes of paragraph (1)(A), a complete discontinuance of contributions under a plan shall be deemed to occur on the day the plan administrator notifies the Secretary of the Treasury (in accordance with regulations prescribed by the secretary) that all contributions to the plan have been completely discontinued.

SEC. 19. Section 17511 of the Revenue and Taxation Code is amended to read:

17511. Except as provided in subdivision (a), if an annuity contract is purchased by an employer for an employee under a plan which meets the requirements of Section 17515 (whether or not the employer deducts the amounts paid for the contract under such section), the employee shall include in his gross income the amounts

received under such contract for the year received as provided in Sections 17101 to 17112.7, inclusive (relating to annuities).

(a) If—

(1) An annuity contract is purchased by an employer for an employee under a plan described in the first paragraph;

(2) Such plan requires that refunds of contributions with respect to annuity contracts purchased under such plan be used to reduce subsequent premiums on the contracts under the plan; and

(3) The total amounts payable by reason of an employee's death or other separation from the service, or by reason of the death of an employee after the employee's separation from the service, are paid to the payee within one taxable year of the payee,

then the amount of such payments, to the extent exceeding the amount contributed by the employee, which employee contributions shall be reduced by any amounts theretofore paid to him which were not includable in gross income, shall be considered a gain from the sale or exchange of a capital asset held for more than six months. This subdivision shall not apply to amounts paid to any payee to the extent such amounts are attributable to contributions made on behalf of the employee while he was an employee within the meaning of subdivision (a) of Section 17502.2.

(b) For purposes of subdivision (a), the term "total amounts" means the balance to the credit of an employee which becomes payable to the payee by reason of the employee's death or other separation from the service, or by reason of his death after separation from the service.

(c) Subdivision (a) shall apply to a payment paid after December 31, 1969, only to the extent it does not exceed the sum of—

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

(2) The portion of the benefits accrued by such employee during plan years beginning after December 31, 1969, which the payee establishes does not consist of the employee's allocable share of employer contributions under the plan under which the annuity contract is purchased.

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

(d) For purposes of this section, the term "employee" includes an individual who is an employee within the meaning of subdivision (a) of Section 17502.2, and the employer of such individual is the person treated as his employer under subdivision (d) of Section 17502.2.

(e) In the case of an employee annuity described in this section, if—

(1) The balance to the credit of an employee is paid to him—

(A) Within one taxable year of the employee on account of a termination of the plan of which such trust is a part or a complete discontinuance of contributions under such plan, or

(B) In one or more distributions which constitutes a lump sum

distribution within the meaning of Section 402(e)(4)(A) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (determined without reference to subsection (e)(4)(B))

(2) (A) The employee transfers all the property he receives in such distribution to an individual account described in Section 17530(a), an individual retirement annuity described in Section 17530(b) (other than an endowment contract), or a retirement bond described in Section 17530.1, on or before the 60th day after the day on which he received such property to the extent the fair market value of such property exceeds the amount referred to in Section 17503(c)(4), or

(B) The employee transfers all the property he receives in such distribution to an employees' trust described in Section 17501 which is exempt from tax under Section 17631, or to an annuity plan described in this section on or before the 60th day after the day on which he received such property to the extent the fair market value of such property exceeds the amount referred to in Section 17503(c)(4), and

(3) The amount so transferred consists of the property distributed to the extent that the fair market value of such property does not exceed the amount required to be transferred pursuant to paragraph (2),

then such distribution is not includable in gross income for the year in which paid. For purposes of this part, a transfer described in paragraph (2)(A) shall be treated as a rollover contribution described in Section 17530(d). Subparagraph (2)(B) does not apply in the case of a transfer to an employees' trust, or annuity plan if any part of a payment described in paragraph (1) is attributable to an annuity plan under which the employee was an employee within the meaning of Section 17502.2(a) at the time contributions were made on his behalf under the plan.

For purposes of paragraph (1)(A), a complete discontinuance of contributions under a plan shall be deemed to occur on the day the plan administrator notifies the Secretary of the Treasury (in accordance with regulations prescribed by the secretary) that all contributions to the plan have been completely discontinued.

SEC. 20. Section 17512 of the Revenue and Taxation Code is amended to read:

17512. (a) (1) If—

(A) An annuity contract is purchased—

(i) For an employee by an employer described in Section 23701d which is exempt from tax under Section 23701, or

(ii) For an employee (other than an employee described in clause (i) of subparagraph (A)), who performs services for an educational institution (as defined in subdivision (c) of Section 17150), by an employer which is a state, a political subdivision of a state, or an agency or instrumentality of any one or more of the foregoing,

(B) Such annuity contract is not subject to Section 17511, and

(C) The employee's rights under the contract are nonforfeitable, except for failure to pay future premiums,

then amounts contributed by such employer for such annuity contract on or after such rights become nonforfeitable shall be excluded from the gross income of the employee for the taxable year to the extent that the aggregate of such amounts does not exceed the exclusion allowance for such taxable year. The employee shall include in his gross income the amounts received under such contract for the year received as provided in Sections 17101 to 17112.7, inclusive.

(2) For purposes of this section, the exclusion allowance for any employee for the taxable year is an amount equal to the excess, if any, of—

(A) The amount determined by multiplying 20 percent of his includable compensation by the number of years of service, over

(B) The aggregate of the amounts contributed by the employer for annuity contracts and excludable from the gross income of the employee for any prior taxable year.

(3) In the case of an employee who makes an election under Section 415(c)(4)(D) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) to have the provisions of Section 415(c)(4)(C) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (relating to special rule for contracts purchased by educational institutions, hospitals, and home health service agencies) apply, the exclusion allowance for any such employee for the taxable year is the amount which could be contributed (under Section 415 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406)) by his employer under a plan described in Section 17511 if the annuity contract for the benefit of such employee were treated as a defined contribution plan maintained by the employer.

(4) For purposes of this section, the term "includable compensation" means, in the case of any employee, the amount of compensation which is received from the employer described in subparagraph (A) of paragraph (1), and which is includable in gross income (computed without regard to subdivision (d) of Section 17139 and Section 17529) for the most recent period (ending not later than the close of the taxable year) which under paragraph (4) may be counted as one year of service. Such term does not include any amount contributed by the employer for any annuity contract to which this section applies.

(5) In determining the number of years of service for purposes of this section, there shall be included—

(A) One year for each full year during which the individual was a full-time employee of the organization purchasing the annuity for him, and

(B) A fraction of a year (determined in accordance with regulations prescribed by the Franchise Tax Board) for each full year during which such individual was a part-time employee of such organization and for each part of a year during which such individual was a full-time or part-time employee of such organization.

In no case shall the number of years of service be less than one.

(6) If for any taxable year of the employee this section applies to two or more annuity contracts purchased by the employer, such contracts shall be treated as one contract.

(7) For purposes of this section and Section 17106 (relating to special rules for computing employees' contributions to annuity contracts), if rights of the employee under an annuity contract described in subparagraphs (A) and (B) of paragraph (1) change from forfeitable to nonforfeitable rights, then the amount (determined without regard to this subdivision) includable in gross income by reason of such change shall be treated as an amount contributed by the employer for such annuity contract as of the time such rights become nonforfeitable.

(8) (A) For purposes of this part, amounts paid by an employer described in paragraph (1) (A) to a custodial account which satisfies the requirements of Section 17502.5(b) shall be treated as amounts contributed by him for an annuity contract for his employee if the amounts are paid to provide a retirement benefit for that employee and are to be invested in regulated investment company stock to be held in that custodial account.

(B) For purposes of this part, a custodial account which satisfies the requirements of Section 17502.5(b) shall be treated as an organization described in Section 17501 solely for purposes of Sections 17631 to 17651, inclusive, with respect to amounts received by it (and income from investment thereof).

(C) For purposes of this paragraph, the term "regulated investment company" means a domestic corporation which is a regulated investment company within the meaning of Section 851 (a) of the Internal Revenue Code of 1954, and which issues only redeemable stock.

(b) Premiums paid by an employer for an annuity contract which is not subject to Section 17511 shall be included in the gross income of the employee in accordance with Section 17122.7 (relating to property transferred in connection with performance of services), except that the value of such contract shall be substituted for the fair market value of the property for purposes of applying such section. The preceding sentence shall not apply to that portion of the premiums paid which is excluded from gross income under subdivision (a). The amount actually paid or made available to any beneficiary under such contract shall be taxable to him in the year in which so paid or made available under Sections 17101 to 17112.7, inclusive (relating to annuities).

SEC. 21. Section 17514 of the Revenue and Taxation Code is repealed.

SEC. 22. Section 17514 is added to the Revenue and Taxation Code, to read:

17514. (a) In the taxable year when paid, if the contributions are paid into a pension trust, and if such taxable year ends within or with a taxable year of the trust for which the trust is exempt under Section 17631, in an amount determined as follows:

(1) The amount necessary to satisfy the minimum funding standard provided by Section 412(a) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) for plan years ending within or with such taxable year (or for any prior plan year), if such amount is greater than the amount determined under paragraph (2) or (3) (whichever is applicable with respect to the plan).

(2) The amount necessary to provide with respect to all of the employees under the trust the remaining unfunded cost of their past and current service credits distributed as a level amount, or a level percentage of compensation, over the remaining future service of each such employee, as determined under regulations prescribed by the Franchise Tax Board, but if such remaining unfunded cost with respect to any three individuals is more than 50 percent of such remaining unfunded cost, the amount of such unfunded cost attributable to such individuals shall be distributed over a period of at least five taxable years.

(3) An amount equal to the normal cost of the plan, as determined under regulations prescribed by the Franchise Tax Board, plus, if past service or other supplementary pension or annuity credits are provided by the plan, an amount necessary to amortize such credits in equal annual payments (until fully amortized) over 10 years, as determined under regulations prescribed by the Franchise Tax Board.

In determining the amount deductible in such year under the foregoing limitations the funding method and the actuarial assumptions used shall be those used for such year under Section 412 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) and the maximum amount deductible for such year shall be an amount equal to the full funding limitation for such year determined under Section 412 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(b) In the case of a plan which the Secretary of Labor finds to be collectively bargained which makes an election under this subdivision (in such manner and at such time as may be provided under regulations prescribed by the Franchise Tax Board), if the full funding limitation determined under Section 412(c)(7) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) for such year is zero, if as a result of any plan amendment applying to such plan year, the amount determined under Section 412(c)(7)(B) exceeds the amount determined under Section 412(c)(7)(A), and if the

funding method and the actual assumptions used are those used for such year under Section 412 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406), the maximum amount deductible in such year under the limitations of this section shall be an amount equal to the lesser of—

(1) The full funding limitation for such year determined by applying Section 412(c)(7) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) but increasing the amount referred to in subparagraph (A) thereof by the decrease in the present value of all unamortized liabilities resulting from such amendment, or

(2) The normal cost under the plan reduced by the amount necessary to amortize in equal annual installments over 10 years (until fully amortized) the decrease described in paragraph (1).

In the case of any election under this subdivision, the amount deductible under the limitations of this section with respect to any of the plan years following the plan year for which such election was made shall be determined as provided under such regulations as may be prescribed by the Franchise Tax Board to carry out the purposes of this subdivision.

(c) In the case of a plan which the Secretary of Labor finds to be collectively bargained, established or maintained by an employer doing business in not less than 40 states and engaged in the trade or business of furnishing or selling services described in Section 167(1)(3)(A)(iii) of the Internal Revenue Code of 1954, with respect to which the rates have been established or approved by a state or political subdivision thereof, by any agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any state or political subdivision thereof, and in the case of any employer which is a member of a controlled group with such employer, subdivision (b) shall be applied by substituting for the words "plan amendment" the words "plan amendment or increase in benefits payable under Title II of the Social Security Act." For purposes of this subdivision, the term "controlled group" has the meaning provided by Section 1563(a) of the Internal Revenue Code of 1954 determined without regard to Section 1563(a)(4) and (e)(3)(C) of the Internal Revenue Code of 1954.

(d) Any amount paid in a taxable year in excess of the amount deductible in such year under the foregoing limitations shall be deductible in the succeeding taxable years in order of time to the extent of the difference between the amount paid and deductible in each succeeding year and the maximum amount deductible for such year under the foregoing limitations.

SEC. 23. Section 17515 of the Revenue and Taxation Code is amended to read:

17515. A deduction shall be allowed in the taxable year when paid, in an amount determined in accordance with Section 17514, if the contributions are paid toward the purchase of retirement

annuities and such purchase is part of a plan which meets the requirements of Section 17501(c), (d), (e), (f), (g), (h), (k), (*l*), (m), (n), (o), (p), (q), (r), and (s), and, if applicable, the requirements of Section 17501(i), (j), (q) and (r) and of Section 17502.3 (other than subdivision (a)), and if refunds of premiums, if any, are applied within the current taxable year or next succeeding taxable year towards the purchase of such retirement annuities.

SEC. 24. Section 17516 of the Revenue and Taxation Code is amended to read:

17516. (a) A deduction shall be allowed in the taxable year when paid, if the contributions are paid into a stock bonus or profit-sharing trust, and if such taxable year ends within or with a taxable year of the trust with respect to which the trust is exempt under Section 17631, in an amount not in excess of 15 percent of the compensation otherwise paid or accrued during the taxable year to all employees under the stock bonus or profit-sharing plan. If in any taxable year there is paid into the trust, or a similar trust then in effect, amounts less than the amounts deductible under the preceding sentence, the excess, or if no amount is paid, the amounts deductible, shall be carried forward and be deductible when paid in the succeeding taxable years in order of time, but the amount so deductible under this sentence in any such succeeding taxable year shall not exceed 15 percent of the compensation otherwise paid or accrued during such succeeding taxable year to the beneficiaries under the plan, but the amount so deductible under this sentence in any one succeeding taxable year together with the amount so deductible under the first sentence of this subdivision shall not exceed 25 percent of the compensation otherwise paid or accrued during such taxable year to the beneficiaries under the plan. In addition, any amount paid into the trust in any taxable year in excess of the amount allowable with respect to such year under the preceding provisions of this section shall be deductible in the succeeding taxable years in order of time, but the amount so deductible under this sentence in any one such succeeding taxable year together with the amount allowable under the first sentence of this section shall not exceed 15 percent of the compensation otherwise paid or accrued during such taxable year to the beneficiaries under the plan. The term "stock bonus or profit-sharing trust," as used in this section, shall not include any trust designed to provide benefits upon retirement and covering a period of years, if under the plan the amounts to be contributed by the employer can be determined actuarially as provided in Section 17514. If the contributions are made to two or more stock bonus or profit-sharing trusts, such trusts shall be considered a single trust for purposes of applying the limitations in this section.

(b) In the case of a profit-sharing plan, or a stock bonus plan in which contributions are determined with reference to profits, of a group of corporations which is an affiliated group within the meaning of Section 1504 of the Federal Internal Revenue Code of 1954, if any member of such affiliated group is prevented from

making a contribution which it would otherwise have made under the plan, by reason of having no current or accumulated earnings or profits or because such earnings or profits are less than the contributions which it would otherwise have made, then so much of the contribution which such member was so prevented from making may be made, for the benefit of the employees of such member, by the other members of the group, to the extent of current or accumulated earnings or profits, except that such contribution by each such other member shall be limited, where the group does not file a consolidated return, to that proportion of its total current and accumulated earnings or profits remaining after adjustment for its contribution deductible without regard to this subdivision which the total prevented contribution bears to the total current and accumulated earnings or profits of all the members of the group remaining after adjustment for all contributions deductible without regard to this subdivision. Contributions made under the preceding sentence shall be deductible under subdivision (a) of this section by the employer making such contributions, and, for the purpose of determining amounts which may be carried forward and deducted under the second sentence of subdivision (a) of this section in succeeding taxable years, shall be deemed to have been made by the employer on behalf of whose employees such contributions were made.

SEC. 25. Section 17519 of the Revenue and Taxation Code is repealed.

SEC. 26. Section 17519 is added to the Revenue and Taxation Code, to read:

17519. For purposes of Sections 17514, 17515 and 17516 a taxpayer shall be deemed to have made a payment on the last day of the preceding taxable year if the payment is on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

SEC. 27. Section 17520 of the Revenue and Taxation Code is repealed.

SEC. 28. Section 17520 is added to the Revenue and Taxation Code, to read:

17520. If amounts are deductible under Sections 17514 and 17516, or 17515 and 17516, or 17514, 17515, and 17516, in connection with two or more trusts, or one or more trusts and an annuity plan, the total amount deductible in a taxable year under such trusts and plans shall not exceed the greater of 25 percent of the compensation otherwise paid or accrued during the taxable year to the beneficiaries of the trusts or plans, or the amount of contributions made to or under the trusts or plans to the extent such contributions do not exceed the amount of employer contributions necessary to satisfy the minimum fundings standard provided by Section 412 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) for the plan year which ends with or within such taxable year (or for any prior plan year). In addition,

any amount paid into such trust or under such annuity plans in any taxable year in excess of the amount allowable with respect to such year under the preceding provisions of this section shall be deductible in the succeeding taxable years in order of time, but the amount so deductible under this sentence in any one such succeeding taxable year together with the amount allowable under the first sentence of this section shall not exceed 25 percent of the compensation otherwise paid or accrued during such taxable years to the beneficiaries under the trusts or plans. This section shall not have the effect of reducing the amount otherwise deductible under Sections 17514, 17515, and 17516, if no employee is a beneficiary under more than one trust or a trust and an annuity plan.

SEC. 29. Section 17520.6 of the Revenue and Taxation Code is amended to read:

17520.6. In the case of a plan included in Sections 17514, 17515, or 17516 which provides contributions or benefits for employees some or all of whom are employees within the meaning of Section 17502.2(a)—

(a) The limitations provided by Sections 17514, 17515, 17516, and 17520 on the amounts deductible for any taxable year shall be computed, with respect to contributions on behalf of employees (other than employees within the meaning of Section 17502.2(a)), as if such employees were the only employees for whom contributions and benefits are provided under the plan;

(b) The limitations provided by Sections 17514, 17515, 17516 and 17520 on the amounts deductible for any taxable year shall be computed, with respect to contributions on behalf of employees within the meaning of Section 17502.2(a)—

(1) As if such employees were the only employees for whom contributions and benefits are provided under the plan, and

(2) Without regard to the second sentence of Section 17516; and

(c) The amounts deductible under Sections 17514, 17515, 17516, and 17520, with respect to contributions on behalf of any employee within the meaning of Section 17502.2(a), shall not exceed the applicable limitation provided in Section 17524.

SEC. 30. Section 17522 of the Revenue and Taxation Code is amended to read:

17522. If contributions are paid by an employer—

(a) Under a plan under which such contributions are held in trust for the purpose of paying (either from principal or income or both) for the benefit of employees and their families and dependents at least medical or hospital care, or pensions on retirement or death of employees; and

(b) Such plan was established prior to January 1, 1955, as a result of an agreement between employee representatives and the government of the United States during a period of government operation, under seizure powers, of a major part of the productive facilities of the industry in which such employer is engaged,

such contributions shall not be deductible under this section nor be

made nondeductible by this section, but the deductibility thereof shall be governed solely by Section 17202 (relating to trade or business expenses).

For purposes of this article and Part 8 and Part 9 of this division, in the case of any individual who before July 1, 1974, was a participant in a plan described in the preceding sentence—

(A) Such individual, if he is or was an employee within the meaning of Section 17502.2(a), shall be treated (with respect to service covered by the plan) as being an employee other than an employee within the meaning of Section 17502.2(a) and as being an employee of a participating employer under the plan,

(B) Earnings derived from service covered by the plan shall be treated as not being earned income within the meaning of Section 17502.2(b), and

(C) Such individual shall be treated as an employee of a participating employer under the plan with respect to service before July 1, 1975, covered by the plan.

Section 24437 (relating to deductions incurred by certain membership organizations in transactions with members) does not apply to any trust described in this section. The first and third sentences of this section shall have no application with respect to amounts contributed to a trust on or after any date on which such trust is qualified for exemption from tax under Section 17631.

SEC. 31. Section 17524 of the Revenue and Taxation Code is amended to read:

17524. (a) (1) In the case of a plan included in Section 17514, 17515, or 17516, which provides contributions or benefits for employees some or all of whom are employees within the meaning of Section 17502.2(a), the amounts deductible under Sections 17513 to 17520.6, inclusive, in any taxable year with respect to contributions on behalf of any employee within the meaning of Section 17502.2(a) shall, subject to the provisions of subdivision (b), not exceed two thousand five hundred dollars ($2,500), or 10 percent of the earned income derived by such employee from the trade or business with respect to which the plan is established, whichever is the lesser.

(2) In the case of such a plan where contributions are also made pursuant to and in conformance with the special limitations for self-employed individuals under Section 404(e) of the Internal Revenue Code of 1954, as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406)

(i) The amounts deductible are subject to the limitations provided in subdivisions (a), (b), and (c) of this section, and

(ii) The net income attributable to the nondeductible portion shall not be includible in the gross income of the owner-employee for the taxable year or for succeeding taxable years until distributed pursuant to the provision of the plan or by operation of the law.

(b) (1) In any taxable year in which amounts are deductible with respect to contributions under two or more plans on behalf of an individual who is an employee within the meaning of Section

17502.2(a) with respect to such plans, the aggregate amount deductible for such taxable year under all such plans with respect to contributions on behalf of such employee shall not exceed two thousand five hundred dollars ($2,500), or 10 percent of the earned income derived by such employee from the trades or businesses with respect to which the plans are established, whichever is the lesser.

(2) In any case in which the amounts deductible under Sections 17513 to 17520.6, inclusive (with the application of the limitations of this section), with respect to contributions made on behalf of an employee within the meaning of Section 17502.2(a), under two or more plans are, by reason of subdivision (b)(1), less than the amounts deductible under such section determined without regard to such subdivision, the amount deductible under Sections 17513 to 17520.6, inclusive, with respect to such contributions under each such plan shall be determined in accordance with regulations prescribed by the Franchise Tax Board.

(c) For purposes of this section, contributions which are allocable (determined under regulations prescribed by the Franchise Tax Board) to the purchase of life, accident, health, or other insurance shall not be taken into account.

SEC. 32. Section 17525.1 is added to the Revenue and Taxation Code, to read:

17525.1. For purposes of Sections 17513 to 17525, inclusive, any amount paid by an employer under Section 4062, 4063, or 4064 of the Employee Retirement Income Security Act of 1974 (P.L. 93-406) shall be treated as a contribution to which Sections 17513 to 17525, inclusive, apply by such employer to or under a stock bonus, pension, profit-sharing, or annuity plan.

SEC. 33. Section 17526 of the Revenue and Taxation Code is amended to read:

17526. (a) A plan of an employer for the purchase for and distribution to his employees or their beneficiaries of United States bonds described in subdivision (b) shall constitute a qualified bond purchase plan under this section if—

(1) The plan meets the requirements of subdivisions (c), (d), (e), (f), (g), (h), (p) and (s) of Section 17501 and, if applicable, the requirements of subdivisions (i) and (j) of Section 17501 and of Section 17502.3 (other than subdivision (a), paragraph (2) of subdivision (e) and subdivision (h)); and

(2) Contributions under the plan are used solely to purchase for employees or their beneficiaries United States bonds described in subdivision (b).

(b) This section shall apply only to a bond issued under the Second Liberty Bond Act, as amended, which by its terms, or by regulations prescribed by the Secretary of the United States Treasury under such act—

(1) Provides for payment of interest, or investment yield, only upon redemption;

(2) May be purchased only in the name of an individual;

(3) Ceases to bear interest, or provide investment yield, not later than five years after the death of the individual in whose name it is purchased;

(4) May be redeemed before the death of the individual in whose name it is purchased only if such individual—

(A) Has attained the age of 59½ years, or

(B) Has become disabled (within the meaning of subdivision (f) of Section 17112.5); and

(5) Is nontransferable.

This section shall apply to a bond described in subdivision (b) only if it is purchased in the name of the employee.

(c) Contributions paid by an employer to or under a qualified bond purchase plan shall be allowed as a deduction in an amount determined under Sections 17513 to 17525, inclusive, in the same manner and to the same extent as if such contributions were made to a trust described in Section 17501 which is exempt from tax under Section 17631.

(d) (1) For purposes of this part, in the case of a distributee of a bond described in subdivision (b) under a qualified bond purchase plan, or from a trust described in Section 17501 which is exempt from tax under Section 17631, gross income does not include any amount attributable to the receipt of such bond. Upon redemption of such bond, the proceeds shall be subject to taxation under this part, but the provisions of Sections 17101 to 17112.7, inclusive and Sections 18183, 18184, and 18185 (relating to bonds and other evidences of indebtedness) shall not apply.

(2) The basis of any bond received by a distributee under a qualified bond purchase plan—

(A) If such bond is distributed to an employee, or with respect to an employee, who at the time of purchase of the bond, was an employee other than an employee within the meaning of subdivision (a) of Section 17502.2, shall be the amount of the contributions by the employee which were used to purchase the bond, and

(B) If such bond is distributed to an employee, or with respect to an employee, who, at the time of purchase of the bond, was an employee within the meaning of subdivision (a) of Section 17502.2, shall be the amount of the contributions used to purchase the bond which were made on behalf of such employee and were not allowed as a deduction under subdivision (c).

The basis of any bond described in subdivision (b) received by a distributee from a trust described in Section 17501 which is exempt from tax under Section 17631 shall be determined under regulations prescribed by the Franchise Tax Board.

(e) Section 17112.7 and subdivision (b) of Section 17503 shall not apply to any bond described in subdivision (b) distributed to any distributee and, for purposes of applying such sections, any such bond distributed to any distributee and any such bond to the credit of any employee shall not be taken into account.

(f) For purposes of this section, the term "employee" includes an individual who is an employee within the meaning of subdivision (a) of Section 17502.2, and the employer of such individual shall be the person treated as his employer under subdivision (d) of Section 17502.2.

(g) At the time of purchase of any bond to which this section applies, proof of such purchase shall be furnished in such form as will enable the purchaser, and the employee in whose name such bond is purchased, to comply with the provisions of this section.

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

SEC. 34. Section 17527 of the Revenue and Taxation Code is amended to read:

17527. (a) For purposes of applying this article with respect to a pension, profit-sharing or stock bonus plan described in Section 17501, an annuity plan described in Section 17511, or a bond purchase plan described in subdivision (a) of Section 17526, of a domestic corporation (i.e., a corporation created or organized within the United States), an individual who is a citizen of the United States and who is an employee of a foreign subsidiary (as defined in Section 3121(*l*)(8) of the Internal Revenue Code of 1954) of such domestic corporation shall be treated as an employee of such domestic corporation, if—

(1) Such domestic corporation has entered into an agreement under Section 3121(*l*) of the Internal Revenue Code of 1954 which applies to the foreign subsidiary of which such individual is an employee;

(2) The plan of such domestic corporation expressly provides for contributions or benefits for individuals who are citizens of the United States and who are employees of its foreign subsidiaries to which an agreement entered into by such domestic corporation under Section 3121(*l*) of the Internal Revenue Code of 1954 applies; and

(3) Contributions under a funded plan of deferred compensation (whether or not a plan described in Section 17501, 17511, or subdivision (a) of Section 17526) are not provided by any other person with respect to the remuneration paid to such individual by the foreign subsidiary.

(b) (1) For purposes of applying subdivision (d) of Section 17501 and Section 410(b) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (without regard to paragraph (1)(A) thereof) with respect to an individual who is treated as an employee of a domestic corporation under subdivision (a)—

(A) If such individual is an officer, shareholder, or person whose principal duties consist in supervising the work of other employees of a foreign subsidiary of such domestic corporation, he shall be treated as having such capacity with respect to such domestic corporation; and

(B) The determination of whether such individual is a highly compensated employee shall be made by treating such individual's total compensation (determined with the application of paragraph (2) of this subdivision) as compensation paid by such domestic corporation and by determining such individual's status with regard to such domestic corporation.

(2) For purposes of applying subdivision (e) of Section 17501 with respect to an individual who is treated as an employee of a domestic corporation under subdivision (a)—

(A) The total compensation of such individual shall be the remuneration paid to such individual by the foreign subsidiary which would constitute his total compensation if his services had been performed for such domestic corporation, and the basic or regular rate of compensation of such individual shall be determined under regulations prescribed by the Franchise Tax Board; and

(B) Such individual shall be treated as having paid the amount paid by such domestic corporation which is equivalent to the tax imposed by Section 3101 of the Internal Revenue Code of 1954.

(c) For purposes of applying Section 17112.7, subdivision (b) of Section 17503, and subdivisions (a) and (b) of Section 17511 with respect to an individual who is treated as an employee of a domestic corporation under subdivision (a), such individual shall not be considered as separated from the service of such domestic corporation solely by reason of the fact that—

(1) The agreement entered into by such domestic corporation under Section 3121(*l*) of the Internal Revenue Code of 1954 which covers the employment of such individuals is terminated under the provisions of such section,

(2) Such individual becomes an employee of a foreign subsidiary with respect to which such agreement does not apply,

(3) Such individual ceases to be an employee of the foreign subsidiary by reason of which he is treated as an employee of such domestic corporation, if he becomes an employee of another corporation controlled by such domestic corporation, or

(4) The provision of the plan described in paragraph (2) of subdivision (a) is terminated.

(d) For purposes of applying Sections 17513 to 17525, inclusive, and subdivision (c) of Section 17526 with respect to contributions made to or under a pension, profit-sharing, stock bonus, annuity, or bond purchase plan by a domestic corporation, or by another corporation which is entitled to deduct its contributions under subdivision (b) of Section 17516, on behalf of an individual who is treated as an employee of such domestic corporation under subdivision (a)—

(1) Except as provided in paragraph (2), no deduction shall be allowed to such domestic corporation or to any other corporation which is entitled to deduct its contributions under such sections,

(2) There shall be allowed as a deduction to the foreign subsidiary of which such individual is an employee an amount equal to the

amount which (but for paragraph (1)), would be deductible under Sections 17513 to 17525, inclusive, (or subdivision (c) of Section 17526) by the domestic corporation if he were an employee of the domestic corporation, and

(3) Any reference to compensation shall be considered to be a reference to the total compensation of such individual (determined with the application of paragraph (2) of subdivision (b)).

Any amount deductible by a foreign subsidiary under this subdivision shall be deductible for its taxable year with or within which the taxable year of such domestic corporation ends.

(e) An individual who is treated as an employee of a domestic corporation under subdivision (a) shall also be treated as an employee of such domestic corporation, with respect to the plan described in paragraph (2) of subdivision (a), for purposes of applying the following provisions of this part:

(1) Section 17104 (relating to employees' annuities).

(2) Section 17106 (relating to special rules for computing employees' contributions).

(3) Section 17132 (relating to employees' death benefits).

SEC. 35. Section 17528 of the Revenue and Taxation Code is amended to read:

17528. (a) (1) For purposes of applying this article with respect to a pension, profit-sharing, or stock bonus plan described in Section 17501, an annuity plan described in Section 17511, or a bond purchase plan described in subdivision (a) of Section 17526, of a domestic parent corporation (i.e., a corporation created or organized within the United States), an individual who is a citizen of the United States and who is an employee of a domestic subsidiary (within the meaning of paragraph (2)) of such domestic parent corporation shall be treated as an employee of such domestic parent corporation, if—

(A) The plan of such domestic parent corporation expressly provides for contributions or benefits for individuals who are citizens of the United States and who are employees of its domestic subsidiaries; and

(B) Contributions under a funded plan of deferred compensation (whether or not a plan described in Section 17501, 17511, or subdivision (a) of Section 17526) are not provided by any other person with respect to the remuneration paid to such individual by the domestic subsidiary.

(2) For purposes of this section—

(A) A corporation shall be treated as a domestic subsidiary for any taxable year only if—

(i) Such corporation is a domestic corporation (i.e., created or organized within the United States) 80 percent or more of the outstanding voting stock of which is owned by another domestic corporation;

(ii) Ninety-five percent or more of its gross income for the three-year period immediately preceding the close of its taxable year which ends on or before the close of the taxable year of such other

domestic corporation (or for such part of such period during which the corporation was in existence) was derived from sources without the United States; and

(iii) Ninety percent or more of its gross income for such period (or such part) was derived from the active conduct of a trade or business. If for the period (or part thereof) referred to in clauses (ii) and (iii) such corporation has no gross income, the provisions of clauses (ii) and (iii) shall be treated as satisfied if it is reasonable to anticipate that, with respect to the first taxable year thereafter for which such corporation has gross income, the provisions of such clauses will be satisfied.

(B) The domestic parent corporation of any domestic subsidiary is the domestic corporation which owns 80 percent or more of the outstanding voting stock of such domestic subsidiary.

(b) (1) For purposes of applying subdivision (d) of Section 17501 and Section 410(b) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (without regard to paragraph (1) (A) thereof) with respect to an individual who is treated as an employee of a domestic parent corporation under subdivision (a)—

(A) If such individual is an officer, shareholder, or person whose principal duties consist in supervising the work of other employees of a domestic subsidiary, he shall be treated as having such capacity with respect to such domestic parent corporation; and

(B) The determination of whether such individual is a highly compensated employee shall be made by treating such individual's total compensation (determined with the application of paragraph (2) of this subdivision) as compensation paid by such domestic parent corporation and by determining such individual's status with regard to such domestic parent corporation.

(2) For purposes of applying subdivision (e) of Section 17501 with respect to an individual who is treated as an employee of a domestic parent corporation under subdivision (a), the total compensation of such individual shall be the remuneration paid to such individual by the domestic subsidiary which would constitute his total compensation if his services had been performed for such domestic parent corporation, and the basic or regular rate of compensation of such individual shall be determined under regulations prescribed by the Franchise Tax Board.

(c) For purposes of applying Section 17112.7, subdivision (b) of Section 17503, and subdivision (a) of Section 17511 with respect to an individual who is treated as an employee of a domestic parent corporation under subdivision (a), such individual shall not be considered as separated from the service of such domestic parent corporation solely by reason of the fact that—

(1) The corporation of which such individual is an employee ceases, for any taxable year, to be a domestic subsidiary within the meaning of subparagraph (A) of paragraph (2) of subdivision (a),

(2) Such individual ceases to be an employee of a domestic

subsidiary of such domestic parent corporation, if he becomes an employee of another corporation controlled by such domestic parent corporation, or

(3) The provision of the plan described in subparagraph (A) of paragraph (1) of subdivision (a) is terminated.

(d) For purposes of applying Sections 17513 to 17525, inclusive, and subdivision (c) of Section 17526 with respect to contributions made to or under a pension, profit-sharing, stock bonus, annuity, or bond purchase plan by a domestic parent corporation (i.e., a corporation created or organized within the United States), or by another corporation which is entitled to deduct its contributions under subdivision (b) of Section 17516, on behalf of an individual who is treated as an employee of such domestic corporation under subdivision (a)—

(1) Except as provided in paragraph (2), no deduction shall be allowed to such domestic parent corporation or to any other corporation which is entitled to deduct its contributions under such sections,

(2) There shall be allowed as a deduction to the domestic subsidiary of which such individual is an employee an amount equal to the amount which (but for paragraph (1)) would be deductible under Sections 17513 to 17525, inclusive (or subdivision (c) of Section 17526), by the domestic parent corporation if he were an employee of the domestic parent corporation, and

(3) Any reference to compensation shall be considered to be a reference to the total compensation of such individual (determined with the application of paragraph (2) of subdivision (b)).

Any amount deductible by a domestic subsidiary under this subdivision shall be deductible for its taxable year with or within which the taxable year of such domestic parent corporation ends.

(e) An individual who is treated as an employee of a domestic parent corporation under subdivision (a) shall also be treated as an employee of such domestic parent corporation, with respect to the plan described in subparagraph (A) of paragraph (1) of subdivision (a), for purposes of applying the following provisions of this part:

(1) Section 17104 (relating to employees' annuities).

(2) Section 17106 (relating to special rules for computing employees' contributions).

(3) Section 17132 (relating to employees' death benefits).

SEC. 36. Section 17530 is added to the Revenue and Taxation Code, to read:

17530. (a) For purposes of this section, the term "individual retirement account" means a trust created or organized in the United States for the exclusive benefit of an individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

(1) Except in the case of a rollover contribution described in subdivision (d) (3), in Section 17503(e), 17511(e), or 17530.1(b) (3),

no contribution will be accepted unless it is in cash, and contributions will not be accepted for the taxable year in excess of one thousand five hundred dollars ($1,500) on behalf of any individual.

(2) The trustee is a bank (as defined in Section 17502.3(a) or such other person who demonstrates to the satisfaction of the Franchise Tax Board that the manner in which such other person will administer the trust will be consistent with the requirements of this section.

(3) No part of the trust funds will be invested in life insurance contracts.

(4) The interest of an individual in the balance in his account is nonforfeitable.

(5) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

(6) The entire interest of an individual for whose benefit the trust is maintained will be distributed to him not later than the close of his taxable year in which he attains age 70½, or will be distributed, commencing before the close of such taxable year, in accordance with regulations prescribed by the Franchise Tax Board, over—

(A) The life of such individual or the lives of such individual and his spouse, or

(B) A period not extending beyond the life expectancy of such individual or the life expectancy of such individual and his spouse.

(7) If an individual for whose benefit the trust is maintained dies before his entire interest has been distributed to him, or if distribution has been commenced as provided in paragraph (6) to his surviving spouse and such surviving spouse dies before the entire interest has been distributed to such spouse, the entire interest (or the remaining part of such interest if distribution thereof has commenced) will, within five years after his death (or the death of the surviving spouse), be distributed, or applied to the purchase of an immediate annuity for his beneficiary or beneficiaries (or the beneficiary or beneficiaries of his surviving spouse) which will be payable for the life of such beneficiary or beneficiaries (or for a term certain not extending beyond the life expectancy of such beneficiary or beneficiaries) and which annuity will be immediately distributed to such beneficiary or beneficiaries. The preceding sentence does not apply if distributions over a term certain commenced before the death of the individual for whose benefit the trust was maintained and the term certain is for a period permitted under paragraph (6).

(b) For purposes of this section, the term "individual retirement annuity" means an annuity contract, or an endowment contract (as determined under regulations prescribed by the Franchise Tax Board), issued by an insurance company which meets the following requirements:

(1) The contract is not transferable by the owner.

(2) The annual premium under the contract will not exceed one thousand five hundred dollars ($1,500) and any refund of premiums

will be applied before the close of the calendar year following the year of the refund toward the payment of future premiums or the purchase of additional benefits.

(3) The entire interest of the owner will be distributed to him not later than the close of his taxable year in which he attains age 70½, or will be distributed, in accordance with regulations prescribed by the Franchise Tax Board over—

(A) The life of such owner or the lives of such owner and his spouse, or

(B) A period not extending beyond the life expectancy of such owner or the life expectancy of such owner and his spouse.

(4) If the owner dies before his entire interest has been distributed to him, or if distribution has been commenced as provided in paragraph (3) to his surviving spouse and such surviving spouse dies before the entire interest has been distributed to such spouse, the entire interest (or the remaining part of such interest if distribution thereof has commenced) will, within five years after his death (or the death of the surviving spouse), be distributed, or applied to the purchase of an immediate annuity for his beneficiary or beneficiaries (or the beneficiary or beneficiaries of his surviving spouse) which will be payable for the life of such beneficiary or beneficiaries (or for a term certain not extending beyond the life expectancy of such beneficiary or beneficiaries) and which annuity will be immediately distributed to such beneficiary or beneficiaries. The preceding sentence shall have no application if distributions over a term certain commenced before the death of the owner and the term certain is for a period permitted under paragraph (3).

(5) The entire interest of the owner is nonforfeitable. Such term does not include such an annuity contract for any taxable year of the owner in which it is disqualified on the application of subdivision (e) or for any subsequent taxable year. For purposes of this subdivision, no contract shall be treated as an endowment contract if it matures later than the taxable year in which the individual in whose name such contract is purchased attains age 70½; if it is not for the exclusive benefit of the individual in whose name it is purchased or his beneficiaries; or if the aggregate annual premiums under all such contracts purchased in the name of such individual for any taxable year exceed one thousand five hundred dollars ($1,500).

(c) A trust created or organized in the United States by an employer for the exclusive benefit of his employees or their beneficiaries, or by an association of employees (which may include employees within the meaning of Section 17502.2(a)) for the exclusive benefit of its members or their beneficiaries, shall be treated as an individual retirement account (described in subdivision (a)), but only if the written governing instrument creating the trust meets the following requirements:

(1) The trust satisfies the requirements of paragraphs (1) through (7) of subdivision (a).

(2) There is a separate accounting for the interest of each

employee or member.

The assets of the trust may be held in a common fund for the account of all individuals who have an interest in the trust.

(d) (1) Except as otherwise provided in this subdivision, any amount paid or distributed out of an individual retirement account or under an individual retirement annuity shall be included in gross income by the payee or distributee, as the case may be, for the taxable year in which the payment or distribution is received. The basis of any person in such an account or annuity is zero.

(2) Paragraph (1) does not apply to any annuity contract which meets the requirements of paragraphs (1), (3), (4), and (5) of subdivision (b) and which is distributed from an individual retirement account. Sections 17101 to 17112.7, inclusive, apply to any such annuity contract, and for purposes of Sections 17101 to 17112.7, inclusive, the investment in such contract is zero.

(3) An amount is described in this paragraph as a rollover contribution if it meets the requirements of subparagraphs (A) and (B).

(A) Paragraph (1) does not apply to any amount paid or distributed out of an individual retirement account or individual retirement annuity to the individual for whose benefit the account or annuity is maintained if—

(i) The entire amount received (including money and any other property) is paid into an individual retirement account or individual retirement annuity (other than an endowment contract) or retirement bond for the benefit of such individual not later than the 60th day after the day on which he receives the payment or distribution; or

(ii) The entire amount received (including money and other property) represents the entire amount in the account or the entire value of the annuity and no amount in the account and no part of the value of the annuity is attributable to any source other than a rollover contribution from an employees' trust described in Section 17501 which is exempt from tax under Section 17631 (other than a trust forming part of a plan under which the individual was an employee within the meaning of Section 17502.2(a) at the time contributions were made on his behalf under the plan), or an annuity plan described in Section 17511 (other than a plan under which the individual was an employee within the meaning of Section 17502.2(a) at the time contributions were made on his behalf under the plan) and any earnings on such sums and the entire amount thereof is paid into another such trust (for the benefit of such individual) or annuity plan not later than the 60th day on which he receives the payment or distribution.

(B) This paragraph does not apply to any amount described in subparagraph (A)(i) received by an individual from an individual retirement account or individual retirement annuity if at any time during the three-year period ending on the day of such receipt such individual received any other amount described in that

subparagraph from an individual retirement account, individual retirement annuity, or a retirement bond which was not includible in his gross income because of the application of this paragraph.

(4) Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to an individual retirement account or for an individual retirement annuity to the extent that such contribution exceeds the amount allowable as a deduction under Section 17237 if—

(A) Such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year.

(B) No deduction is allowed under Section 17237 with respect to such excess contribution, and

(C) Such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which received.

(5) The transfer of an individual's interest in an individual retirement account, individual retirement annuity, or retirement bond to his former spouse under a divorce decree or under a written instrument incident to such divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this part, and such interest at the time of the transfer is to be treated as an individual retirement account of such spouse, and not of such individual. Thereafter such account, annuity, or bond for purposes of this part is to be treated as maintained for the benefit of such spouse.

(e) (1) Any individual retirement account is exempt from taxation under this part unless such account has ceased to be an individual retirement account by reason of paragraph (2) or (3). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by Section 17651 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

(2) (A) If, during any taxable year of the individual for whose benefit any individual retirement account is established, that individual or his beneficiary engages in any transaction prohibited by Section 4975 of the Internal Revenue Code of 1954 as amended by Employee Retirement Income Security Act of 1974 (P.L. 93-406) with respect to such account, such account ceases to be an individual retirement account as of the first day of such taxable year. For purposes of this paragraph—

(i) The individual for whose benefit any account was established is treated as the creator of such account and

(ii) The separate account for any individual within an individual retirement account maintained by an employer or association of employees is treated as a separate individual retirement account.

(B) In any case in which any account ceases to be an individual retirement account by reason of subparagraph (A) as of the first day

of any taxable year, paragraph (1) of subdivision (d) applies as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day).

(3) If during any taxable year the owner of an individual retirement annuity borrows any money under or by use of such contract, the contract ceases to be an individual retirement annuity as of the first day of such taxable year. Such owner shall include in gross income for such year an amount equal to the fair market value of such contract as of such first day.

(4) If, during any taxable year of the individual for whose benefit an individual retirement account is established, that individual uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

(5) If the assets of an individual retirement account or any part of such assets are used to purchase an endowment contract for the benefit of the individual for whose benefit the account is established—

(A) To the extent that the amount of the assets involved in the purchase are not attributable to the purchase of life insurance, the purchase is treated as a rollover contribution described in subdivision (d) (3), and

(B) To the extent that the amount of the assets involved in the purchase are attributable to the purchase of life, health, accident, or other insurance, such amounts are treated as distributed to that individual (but the provisions of subdivision (f) do not apply).

(6) Any common trust fund or common investment fund of individual retirement account assets which is exempt from taxation under this part does not cease to be exempt on account of the participation or inclusion of assets of a trust exempt from taxation under Section 17631 which is described in Section 17501.

(f) (1) If a distribution from an individual retirement account or under an individual retirement annuity to the individual for whose benefit such account or annuity was established is made before such individual attains age 59½, his tax under this article for the taxable year in which such distribution is received shall be increased by an amount equal to 2.5 percent of the amount of distribution which is includible in his gross income for such taxable year.

(2) If an amount is includible in gross income for a taxable year under subdivision (e) and the taxpayer has not attained age 59½ before the beginning of such taxable year, his tax under this article for such taxable year shall be increased by an amount equal to 2.5 percent of such amount so required to be included in his gross income.

(3) Paragraphs (1) and (2) do not apply if the amount paid or distributed, or the disqualification of the account or annuity under subdivision (e), is attributable to the taxpayer becoming disabled within the meaning of Section 17112.5(f).

(g) For purposes of this section, a custodial account shall be

treated as a trust if the assets of such account are held by a bank (as defined in Section 17502.3(a) or another person who demonstrates, to the satisfaction of the Franchise Tax Board, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual retirement account described in subdivision (a). For purposes of this part, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

(h) The trustee of an individual retirement account and the issuer of an endowment contract described in subdivision (b) or an individual retirement annuity shall make such reports regarding such account, contract, or annuity to the Franchise Tax Board and to the individuals for whom the account, contract, or annuity is, or is to be, maintained with respect to contributions, distributions, and such other matters as the Franchise Tax Board may require under regulations. The reports required by this subdivision shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

SEC. 37. Section 17530.1 is added to the Revenue and Taxation Code, to read:

17530.1. (a) For purposes of this section and Section 17237(a), the term "retirement bond" means a bond issued under the Second Liberty Bond Act, as amended, which by its terms, or by regulations prescribed by the Secretary of the Treasury of the United States or his delegate under such act—

(1) Provides for payment of interest, or investment yield, only on redemption;

(2) Provides that no interest, or investment yield, is payable if the bond is redeemed within 12 months after the date of its issuance;

(3) Provides that it ceases to bear interest, or provide investment yield on the earlier of—

(A) The date on which the individual in whose name it is purchased (hereinafter in this section referred to as the "registered owner") attains age 70½; or

(B) Five years after the date on which the registered owner dies, but not later than the date on which he would have attained the age 70½ had he lived;

(4) Provides that, except in the case of a rollover contribution described in subdivision (b)(3)(C) or in Section 17503(e), 17511(e), or 17530(d)(3), the registered owner may not contribute for the purchase of such bonds in excess of fifteen hundred dollars ($1,500) in any taxable year; and

(5) Is not transferable.

(b) (1) Except as otherwise provided in this subdivision, on the redemption of a retirement bond the entire proceeds shall be included in the gross income of the taxpayer entitled to the proceeds

on redemption. If the registered owner has not tendered it for redemption before the close of the taxable year in which he attains age 70½, such individual shall include in his gross income for such taxable year the amount of proceeds he would have received if the bond had been redeemed at age 70½. The provisions of Sections 17101 to 17112.7, inclusive, and Sections 18183 to 18185, inclusive (relating to bonds and other evidences of indebtedness) shall not apply to a retirement bond.

(2) The basis of a retirement bond is zero.

(3) Exceptions:

(A) If a retirement bond is redeemed within 12 months after the date of its issuance, the proceeds are excluded from gross income if no deduction is allowed under Section 17237 on account of the purchase of such bond.

(B) If a retirement bond is redeemed after the close of the taxable year in which the registered owner attains age 70½, the proceeds from the redemption of the bond are excluded from the gross income of the registered owner to the extent that such proceeds were includible in his gross income for such taxable year.

(C) If a retirement bond is redeemed at any time before the close of the taxable year in which the registered owner attains age 70½, and the registered owner transfers the entire amount of the proceeds from the redemption of the bond to an individual retirement account described in Section 17530(a) or to an individual retirement annuity described in Section 17530(b) (other than an endowment contract) which is maintained for the benefit of the registered owner of the bond, or to an employees' trust described in Section 17501 which is exempt from tax under Section 17631, or an annuity plan described in Section 17511 for the benefit of the registered owner, on or before the 60th day after the day on which he received the proceeds of such redemption, then the proceeds shall be excluded from gross income and the transfer shall be treated as a rollover contribution described in Section 17511(e). This subparagraph does not apply in the case of a transfer to such an employees' trust or such an annuity plan unless no part of the value of such proceeds is attributable to any source other than a rollover contribution from such an employees' trust or annuity plan (other than an annuity plan or a trust forming part of a plan under which the individual was an employee within the meaning of Section 17502.2(a) at the time contributions were made on his behalf under the plan).

(c) (1) If a retirement bond is redeemed by the registered owner before he attains age 59½, his tax under this article for the taxable year in which the bond is redeemed shall be increased by an amount equal to 2.5 percent of the amount of the proceeds of the redemption includable in his gross income for the taxable year.

(2) Paragraph (1) does not apply for any taxable year during which the retirement bond is redeemed if, for that taxable year, the registered owner is disabled within the meaning of Section 17112.5(f).

(3) Paragraph (1) does not apply if the registered owner tenders the bond for redemption within 12 months after the date of its issuance.

SEC. 38. Section 17530.2 is added to the Revenue and Taxation Code, to read:

17530.2. The provisions of subsections (b) and (c) of Section 413, Collectively Bargained Plans, of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) shall be applied to a plan maintained pursuant to an agreement which the Secretary of Labor finds to be a collective-bargaining agreement between employee representatives and one or more employers, and each trust which is a part of such plan, exclusive of those paragraphs concerned with and entitled "Liability for Funding Tax."

SEC. 39. Section 17530.3 is added to the Revenue and Taxation Code, to read:

17530.3. For the purposes of this article, the definitions and special rules set forth in Section 414 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) shall be applied as provided therein.

SEC. 40. Section 17530.4 is added to the Revenue and Taxation Code, to read:

17530.4. (a) (1) A trust which is a part of a pension, profit-sharing, or stock bonus plan shall not constitute a qualified trust under Section 17501, if—

(A) In the case of a defined benefit plan, the plan provides for the payment of benefits with respect to a participant which exceed the limitation of subdivision (b).

(B) In the case of a defined contribution plan, contributions and other additions under the plan with respect to any participant for any taxable year exceed the limitation of subdivision (c), or

(C) In any case in which an individual is a participant in both a defined benefit plan and a defined contribution plan maintained by the employer, the trust has been disqualified under subdivision (g).

(2) In the case of—

(A) An employee annuity plan described in Section 17511,

(B) An annuity contract described in Section 17512,

(C) An individual retirement account described in Section 17530(a),

(D) An individual retirement annuity described in Section 17530(b),

(E) A plan described in Section 17526, or

(F) A retirement bond described in Section 17530.1,

such contract, annuity plan, account, annuity, plan, or bond shall not be considered to be described in Section 17511, 17512, 17526, 17530(a), 17530(b) or 17530.1, as the case may be, unless it satisfies the requirements of subparagraph (A) or subparagraph (B) of paragraph (1), whichever is appropriate, and has not been disqualified under subdivision (g). In the case of an annuity contract

described in Section 17512, the preceding sentence shall apply only to the portion of the annuity contract which exceeds the limitation of subdivision (b) or the limitation of subdivision (c), whichever is appropriate, and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in Section 17512.

(b) (1) Benefits with respect to a participant exceed the limitation of this subdivision if, when expressed as an annual benefit (within the meaning of paragraph (2)), such annual benefit is greater than the lesser of—

(A) Seventy-five thousand dollars ($75,000), or

(B) One hundred percent of the participant's average compensation for his high three years.

(2) (A) For purposes of paragraph (1), the term "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) under a plan to which employees do not contribute and under which no rollover contributions (as defined in Sections 17503, 17511, 17530, and 17530.1) are made.

(B) If the benefit under the plan is payable in any form other than the form described in subparagraph (A), or if the employees contribute to the plan or make rollover contributions (as defined in Sections 17503, 17511, 17530, and 17530.1), the determinations as to whether the limitation described in paragraph (1) has been satisfied shall be made, in accordance with regulations prescribed by the Franchise Tax Board, by adjusting such benefit so that it is equivalent to the benefit described in subparagraph (A). For purposes of this subparagraph, any ancillary benefit which is not directly related to retirement income benefits shall not be taken into account; and that portion of any joint and survivor annuity which constitutes a qualified joint and survivor annuity (as defined in Section 17501) shall not be taken into account.

(C) If the retirement income benefit under the plan begins before age 55, the determination as to whether the limitation set forth in paragraph (1) (A) has been satisfied shall be made, in accordance with regulations prescribed by the Franchise Tax Board, by adjusting such benefit so that it is equivalent to such a benefit beginning at age 55.

(3) For purposes of paragraph (1), a participant's high three years shall be the period of consecutive calendar years (not more than three) during which the participant both was an active participant in the plan and had the greatest aggregate compensation from the employer. In the case of an employee within the meaning of Section 17502.2, the preceding sentence shall be applied by substituting for "compensation from the employer" the following: "the participant's earned income (within the meaning of Section 17502.2 but determined without regard to any exclusion under Section 911 of the Internal Revenue Code of 1954)."

(4) Notwithstanding the preceding provisions of this subdivision, the benefits payable with respect to a participant under any defined benefit plan shall be deemed not to exceed the limitation of this

subdivision if—

(A) The retirement benefits payable with respect to such participant under such plan and under all other defined benefit plans of the employer do not exceed ten thousand dollars ($10,000) for the plan year, or for any prior plan year, and

(B) The employer has not at any time maintained a defined contribution plan in which the participant participated.

(5) In the case of an employee who has less than 10 years of service with the employer, the limitation referred to in paragraph (1), and the limitation referred to in paragraph (4), shall be the limitation determined under such paragraph (without regard to this paragraph), multiplied by a fraction, the numerator of which is the number of years (or part thereof) of service with the employer and the denominator of which is 10.

(6) The computation of—

(A) Benefits under a defined contribution plan, for purposes of Section 17501(d),

(B) Contributions made on behalf of a participant in a defined benefit plan, for purposes of Section 17501(d), and

(C) Contributions and benefits provided for a participant in a plan described in Section 414(k) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406), for purposes of this section

shall not be made on a basis inconsistent with regulations prescribed by the Franchise Tax Board.

(c) (1) Contributions and other additions with respect to a participant exceed the limitation of this subdivision, if, when expressed as an annual addition (within the meaning of paragraph (2)) to the participant's account, such annual addition is greater than the lesser of—

(A) Twenty-five thousand dollars ($25,000), or

(B) Twenty-five percent of the participant's compensation.

(2) For purposes of paragraph (1), the term "annual addition" means the sum for any year of—

(A) Employer contributions,

(B) The lesser of—

(i) The amount of the employee contributions in excess of 6 percent of his compensation, or

(ii) One-half of the employee contributions, and

(C) Forfeitures.

For the purposes of this paragraph, employee contributions under subparagraph (B) are determined without regard to any rollover contributions (as defined in Sections 17503, 17511, 17530, and 17530.1).

(3) For purposes of paragraph (1), the term "participant's compensation" means the compensation of the participant from the employer for the year. In the case of an employee within the meaning of Section 17502.2, the preceding sentence shall be applied by substituting for "compensation of the participant from the

employer" the following: "the participant's earned income (within the meaning of Section 17502.2 but determined without regard to any exclusion under Section 911 of the Internal Revenue Code of 1954)."

(4) (A) In the case of amounts contributed for an annuity contract described in Section 17512 for the year in which occurs a participant's separation from the service with an educational institution, a hospital, or a home health service agency, at the election of the participant there is substituted for the amount specified in paragraph (1) (B) the amount of the exclusion allowance which would be determined under Section 17512 (without regard to this section) for the participant's taxable year in which such separation occurs if the participant's years of service were computed only by taking into account his service for the employer during the period of years (not exceeding 10) ending on the date of such separation.

(B) In the case of amounts contributed for an annuity contract described in Section 17512 for any year in the case of a participant who is an employee of an educational institution, a hospital, or a home health service agency, at the election of the participant there is substituted for the amount specified in paragraph (1) (B) the least of—

(i) Twenty-five percent of the participant's includable compensation (as defined in Section 17512) plus four thousand dollars ($4,000),

(ii) The amount of the exclusion allowance determined for the year under Section 17512, or (iii) fifteen thousand dollars ($15,000).

(C) In the case of amounts contributed for an annuity contract described in Section 17512 for any year for a participant who is an employee of an educational institution, a hospital, or a home health service agency, at the election of the participant the provisions of Section 17512(a) (2) shall not apply.

(D) (i) The provisions of this paragraph apply only if the participant elects its application at the time and in the manner provided under regulations prescribed by the Franchise Tax Board. Not more than one election may be made under subparagraph (A) by any participant. A participant who elects to have the provisions of subparagraph (A), (B), or (C) of this paragraph apply to him may not elect to have any other subparagraph of this paragraph apply to him. Any election made under this paragraph is irrevocable.

(ii) For purposes of this paragraph the term "educational institution" means an educational institution as defined in Section 151(e) (4) of the Internal Revenue Code of 1954.

(iii) For purposes of this paragraph the term "home health service agency" means an organization described in subsection 501(c) (3) of the Internal Revenue Code of 1954 which is exempt from tax under Section 501(a) of the Internal Revenue Code of 1954 and which has been determined by the Secretary of Health, Education, and Welfare to be a home health agency (as defined in Section 1861(o) of the

Social Security Act).

(d) (1) The Franchise Tax Board shall adjust annually—

(A) The amount in subdivision (b) (1) (A),

(B) The amount in subdivision (c) (1) (A), and

(C) In the case of a participant who is separated from service, the amount taken into account under subdivision (b) (1) (B), for increases in the cost of living in accordance with regulations prescribed by the Franchise Tax Board. Such regulations shall provide for adjustment procedures which are similar to the procedures used to adjust primary insurance amounts under Section 215(i) (2) (A) of the Social Security Act.

(2) The base period taken into account—

(A) For purposes of subparagraphs (A) and (B) of paragraph (1) is the calendar quarter beginning October 1, 1974, and

(B) For purposes of subparagraph (C) of paragraph (1) is the last calendar quarter of the calendar year before the calendar year in which the participant is separated from service.

(e) (1) In any case in which an individual is a participant in both a defined benefit plan and a defined contribution plan maintained by the same employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any year may not exceed 1.4.

(2) For purposes of this subdivision, the defined benefit plan fraction for any year is a fraction—

(A) The numerator of which is the projected annual benefit of the participant under the plan (determined as of the close of the year), and

(B) The denominator of which is the projected annual benefit of the participant under the plan (determined as of the close of the year) if the plan provided the maximum benefit allowable under subsection (b).

(3) Defined contribution plan fraction. For purposes of this subdivision, the defined contribution plan fraction for any year is a fraction—

(A) The numerator of which is the sum of the annual additions to the participant's account as of the close of the year, and

(B) The denominator of which is the sum of the maximum amount of annual additions to such account which could have been made under subdivision (c) for such year and for each prior year of service with the employer.

(4) In applying paragraph (3) with respect to years beginning before January 1, 1976—

(A) The aggregate amount taken into account under paragraph (3) (A) may not exceed the aggregate amount taken into account under paragraph (3) (B), and

(B) The amount taken into account under subdivision (c) (2) (B) (i) for any year concerned is an amount equal to—

(i) The excess of the aggregate amount of employee contributions for all years beginning before January 1, 1976, during

which the employee was an active participant of the plan, over 10 percent of the employee's aggregate compensation for all such years, multiplied by

(ii) A fraction the numerator of which is 1 and the denominator of which is the number of years beginning before January 1, 1976, during which the employee was an active participant in the plan.

Employee contributions made on or after October 2, 1973, shall be taken into account under subparagraph (B) of the preceding sentence only to the extent that the amount of such contributions does not exceed the maximum amount of contributions permissible under the plan as in effect on October 2, 1973.

(5) For purposes of this subdivision, any annuity contract described in Section 17512 (except in the case of a participant who has elected under subdivision (c) (4) (D) to have the provisions of subdivision (c) (4) (C) apply), any individual retirement account described in Section 17530(a), any individual retirement annuity described in Section 17530(b), and any retirement bond described in Section 17530.1, for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subdivision (b) or (c) of Section 414 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) (as modified by subdivision (h)). In the case of any annuity contract described in Section 17512, the amount of the contribution disqualified by reason of subdivision (g) shall reduce the exclusion allowance as provided in Section 17512.

(f) (1) For purposes of applying the limitations of subdivision (b), (c), and (e)—

(A) All defined benefit plans (whether or not terminated) of an employer are to be treated as one defined benefit plan, and

(B) All defined contribution plans (whether or not terminated) of an employer are to be treated as one defined contribution plan.

(2) If the employer has more than one defined benefit plan—

(A) Subdivision (b) (1) (B) shall be applied separately with respect to each such plan, but

(B) In applying (b) (1) (B) to the aggregate of such defined benefit plans for purposes of this subdivision, the high three years of compensation taken into account shall be the period of consecutive calendar years (not more than three) during which the individual had the greatest aggregate compensation from the employer.

(g) The Franchise Tax Board, in applying the provisions of this section to benefits or contributions under more than one plan maintained by the same employer, and to any trusts, contracts, accounts, or bonds referred to in subdivision (a) (2), with respect to which the participant has the control required under Section 414(b) or (c) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406), as modified by subdivision (h), shall, under regulations prescribed by the Franchise Tax Board, disqualify one or more trusts, plans,

contracts, accounts, or bonds, or any combination thereof until such benefits or contributions do not exceed the limitations contained in this section. In addition to taking into account such other factors as may be necessary to carry out the purposes of subdivisions (e) and (f), the regulations prescribed under this paragraph shall provide that no plan which has been terminated shall be disqualified until all other trusts, plans, contracts, accounts, or bonds have been disqualified.

(h) For purposes of applying subdivisions (b) and (c) of Section 414 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) to this section, the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in Section 1563(a)(1) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(i) Where for the period before January 1, 1976, or (if later) the first day of the first plan year of the plan, the records necessary for the application of this section are not available, the Franchise Tax Board may by regulations prescribe alternative methods for determining the amounts to be taken into account for such period.

(j) The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section, including, but not limited to, regulations defining the term "year" for purposes of any provision of this section.

(k) (1) For purposes of this article, the term "defined contribution plan" or "defined benefit plan" means a defined contribution plan (within the meaning of Section 414(i) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406)) or a defined benefit plan (within the meaning of Section 414(j) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406)), whichever applies, which is—

(A) A plan described in Section 17501 which includes a trust which is exempt from tax under Section 17631,

(B) An annuity plan described in Section 17511,

(C) A qualified bond purchase plan described in Section 17526,

(D) An annuity contract described in Section 17512,

(E) An individual retirement account described in Section 17530(a),

(F) An individual retirement annuity described in Section 17530(b), or

(G) An individual retirement bond described in Section 17530.1.

SEC. 41. Section 18807 of the Revenue and Taxation Code is amended to read:

18807. For purposes of this chapter, the term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including all remuneration paid to a nonresident employee for services

performed in this state and, the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

(a) For active service as a member of the armed forces of the United States; or

(b) For agricultural labor (as defined in Section 3121(g) of the Internal Revenue Code of 1954); or

(c) For domestic service in a private home, local college club, or local chapter of a college fraternity or sorority; or

(d) For service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is fifty dollars ($50) or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For purposes of this subdivision, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

(1) On each of some 24 days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business; or

(2) Such individual was regularly employed (as determined under paragraph (1)) by such employer in the performance of such service during the preceding calendar quarter; or

(e) For services by a citizen or resident of the United States for a foreign government or an international organization; or

(f) For such services, performed by a nonresident alien individual, as may be designated by regulations prescribed by the Franchise Tax Board; or

(g) For services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(h) (1) For services performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution; or

(2) For services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such services, or is entitled to be credited with the unsold newspapers or magazines turned back; or

(i) For services not in the course of the employer's trade or business, to the extent paid in any medium other than cash; or

(j) To, or on behalf of, an employee or his beneficiary—

(1) From or to a trust described in Section 17501 which is exempt from tax under Section 17631 at the time of such payment unless such

payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust; or

(2) Under or to an annuity plan which, at the time of such payment, is a plan described in Section 17511; or

(3) Under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in Section 17526; or

(4) For a payment described in Section 17240 if, at the time of such payment, it is reasonable to believe that the employee will be entitled to a deduction under such section for payment; or

(k) To a master, officer or any other seaman who is a member of a crew on a vessel engaged in foreign, coastwise, intercoastal, interstate, or noncontiguous trade; or

(*l*) Pursuant to any provision of law other than Section 5(c) or 6(*l*) of the Peace Corps Act, for service performed as a volunteer or volunteer leader within the meaning of such act; or

(m) In the form of group-term life insurance on the life of an employee; or

(n) To or on behalf of an employee, and to the extent that, at the time of the payment of such remuneration it is reasonable to believe that a corresponding deduction is allowable under Section 17266; or

(o) (1) As tips in any medium other than cash;

(2) As cash tips to an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is twenty dollars ($20) or more.

SEC. 41.1. Section 18807 of the Revenue and Taxation Code is amended to read:

18807. For purposes of this chapter, the term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including all remuneration paid to a nonresident employee for services performed in this state and further including all remuneration paid to an individual who is an owner-operator of his own equipment used in the performance of services for his employer and, the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

(a) For active service as a member of the armed forces of the United States; or

(b) For agricultural labor (as defined in Section 3121(g) of the Internal Revenue Code of 1954); or

(c) For domestic service in a private home, local college club, or local chapter of a college fraternity or sorority; or

(d) For service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is fifty dollars ($50) or more and such service is performed by an individual, including an individual who is an owner-operator of his own equipment or tools used in the performance of services for his employer who is regularly

employed by such employer to perform such service. For purposes of this subdivision, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

(1) On each of some 24 days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business; or

(2) Such individual was regularly employed (as determined under paragraph (1)) by such employer in the performance of such service during the preceding calendar quarter; or

(e) For services by a citizen or resident of the United States for a foreign government or an international organization; or

(f) For such services, performed by a nonresident alien individual, as may be designated by regulations prescribed by the Franchise Tax Board; or

(g) For services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(h) (1) For services performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution; or

(2) For services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such services, or is entitled to be credited with the unsold newspapers or magazines turned back; or

(i) For services not in the course of the employer's trade or business, to the extent paid in any medium other than cash; or

(j) To, or on behalf of, an employee or his beneficiary—

(1) From or to a trust described in Section 17501 which is exempt from tax under Section 17631 at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust; or

(2) Under or to an annuity plan which, at the time of such payment, is a plan described in Section 17511; or

(3) Under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in Section 17526; or

(4) For a payment described in Section 17240 if, at the time of such payment, it is reasonable to believe that the employee will be entitled to a deduction under such section for payment; or

(k) To a master, officer or any other seaman who is a member of a crew on a vessel engaged in foreign, coastwise, intercoastal,

interstate, or noncontiguous trade; or

(*l*) Pursuant to any provision of law other than Section 5(c) or 6(*l*) of the Peace Corps Act, for service performed as a volunteer or volunteer leader within the meaning of such act; or

(m) In the form of group-term life insurance on the life of an employee; or

(n) To or on behalf of an employee, and to the extent that, at the time of the payment of such remuneration it is reasonable to believe that a corresponding deduction is allowable under Section 17266; or

(o) (1) As tips in any medium other than cash;

(2) As cash tips to an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is twenty dollars ($20) or more.

(p) To a person licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code.

For purposes of this section, remuneration paid to an individual who is an owner-operator of his own equipment used in the performance of services for his employer shall not include any payments to such owner-operator for the rental of his equipment, which payments shall be deemed to be an amount equal to:

(1) The standard equipment rental rates established by the Department of Transportation of the Business and Transportation Agency; or

(2) Any other reasonable rate established by contract between the employer and employee, which reflects rental rates in the area in which such employee shall perform services for his employer.

SEC. 42. Section 24601 of the Revenue and Taxation Code is amended to read:

24601. If contributions are paid by an employer to or under a stock bonus, pension, profit-sharing, or annuity plan, or if compensation is paid or accrued on account of any employee under a plan deferring the receipt of such compensation, such contributions or compensation shall not be deductible under Section 24343 (relating to trade or business expenses) but if they satisfy the conditions of the section, they shall be deductible under this section, subject, however, to the following limitations as to the amounts deductible in any year:

(a) In the income year when paid, if the contributions are paid into a pension trust, and if such income year ends within or with an income year of the trust for which the trust is exempt under Section 17501 of Part 10, Division 2 of this code, in an amount determined as follows:

(1) The amount necessary to satisfy the minimum funding standard provided by Section 412(a) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) for plan years ending within or with such income year (or for any prior plan year), if such amount is greater than the amount determined under paragraph (2) or (3) (whichever is applicable with respect to the plan),

(2) The amount necessary to provide with respect to all of the employees under the trust the remaining unfunded cost of their past and current service credits distributed as a level amount, or a level percentage of compensation, over the remaining future service of each such employee, as determined under regulations prescribed by the Franchise Tax Board, but if such remaining unfunded cost with respect to any three individuals is more than 50 percent of such remaining unfunded cost, the amount of such unfunded cost attributable to such individuals shall be distributed over a period of at least five income years.

(3) An amount equal to the normal cost of the plan, as determined under regulations prescribed by the Franchise Tax Board, plus, if past service or other supplementary pension or annuity credits are provided by the plan, an amount necessary to amortize such credits in equal annual payments (until fully amortized) over 10 years, as determined under regulations prescribed by the Franchise Tax Board.

In determining the amount deductible in such year under the foregoing limitations the funding method and the actuarial assumptions used shall be those used for such year under Section 412 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) and the maximum amount deductible for such year shall be an amount equal to the full funding limitation for such year determined under Section 412 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406).

(b) In the case of a plan which the Secretary of Labor finds to be collectively bargained which makes an election under this subdivision (in such manner and at such time as may be provided under regulations prescribed by the Franchise Tax Board), if the full funding limitation determined under Section 412(c)(7) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) for such year is zero, if as a result of any plan amendment applying to such plan year, the amount determined under Section 412(c)(7)(B) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) exceeds the amount determined under section 412(c)(7)(A) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406), and if the funding method and the actuarial assumptions used are those used for such year under Section 412 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406), the maximum amount deductible in such year under the limitations of this paragraph shall be an amount equal to the lesser of—

(1) The full funding limitation for such year determined by applying Section 412(c)(7) of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974

(P.L. 93-406) but increasing the amount referred to in subparagraph (A) thereof by the decrease in the *present* value of all unamortized liabilities resulting from such amendment, or

(2) The normal cost under the plan reduced by the amount necessary to amortize in equal annual installments over 10 years (until fully amortized) the decrease described in paragraph (1). In the case of any election under this subdivision, the amount deductible under the limitations of this section with respect to any of the plan years following the plan year for which such election was made shall be determined as provided under such regulations as may be prescribed by the Franchise Tax Board to carry out the purposes of this subdivision.

(c) In the case of a plan which the Secretary of Labor finds to be collectively bargained, established or maintained by an employer doing business in not less than 40 states and engaged in the trade or business of furnishing or selling services described in Section 167 (*l*) (3) (A) (iii), with respect to which the rates have been established or approved by a state or political subdivision thereof, by any agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any state or political subdivision thereof, and in the case of any employer which is a member of a controlled group with such employer, subdivision (b) shall be applied by substituting for the words "plan amendment" the words "plan amendment or increase in benefits payable under Title II of the Social Security Act." For purposes of this subdivision, the term "controlled group" has the meaning provided by Section 1563(a) of the Internal Revenue Code of 1954, determined without regard to Section 1563(a) (4) and (e) (3) (C) of the Internal Revenue Code of 1954.

(d) Any amount paid in an income year in excess of the amount deductible in such year under the foregoing limitations shall be deductible in the succeeding income years in order of time to the extent of the difference between the amount paid and deductible in each such succeeding year and the maximum amount deductible for such year under the foregoing limitations.

SEC. 43. Section 24602 of the Revenue and Taxation Code is amended to read:

24602. In the income year when paid, in an amount determined in accordance with Section 24601, if the contributions are paid toward the purchase of retirement annuities and such purchase is a part of a plan which meets the requirements of Sections 17501(c), (d), (e), (f), (g), (h), (k), (*l*), (m), (n), (o), (p), (q), (r), and (s), and if applicable, the requirements of Section (i), (j), (q), and (r) and of Section 17502.3 (other than subdivision (a)) of Part 10 of Division 2 of this code, and if refunds of premiums, if any, are applied within the current income year or next succeeding income year toward the purchase of such retirement annuities.

SEC. 44. Section 24603 of the Revenue and Taxation Code is amended to read:

24603. (a) In the income year when paid, if the contributions are paid into a stock bonus or profit-sharing trust, and if such income year ends within or with an income year of the trust with respect to which the trust is exempt under Section 17501 of this code, in an amount not in excess of 15 percent of the compensation otherwise paid or accrued during the income year to all employees under the stock bonus or profit-sharing plan. If in any income year there is paid into the trust, or a similar trust then in effect, amounts less than the amounts deductible under the preceding sentence, the excess, or if no amount is paid, the amounts deductible shall be carried forward and be deductible when paid in the succeeding income years in order of time, but the amount so deductible under this sentence in any such succeeding income year shall not exceed 15 percent of the compensation otherwise paid or accrued during such succeeding income year to the beneficiaries under the plan, but the amount so deductible under this sentence in any one succeeding income year together with the amount so deductible under the first sentence of this subdivision shall not exceed 25 percent of the compensation otherwise paid or accrued during such income year to the beneficiaries under the plan. In addition, any amount paid into the trust in any income year in excess of the amount allowable with respect to such year under the preceding provisions of this subsection shall be deductible in the succeeding income years in order of time, but the amount so deductible under this sentence in any one such succeeding income year together with the amount allowable under the first sentence of this subsection shall not exceed 15 percent of the compensation otherwise paid or accrued during such income year to the beneficiaries under the plan. The term "stock bonus or profit-sharing trust," as used in this subsection, shall not include any trust designed to provide benefits upon retirement and covering a period of years, if under the plan the amounts to be contributed by the employer can be determined actuarially as provided in Section 24601. If the contributions are made to two or more stock bonus or profit-sharing trusts, such trusts shall be considered a single trust for purposes of applying the limitations in this subsection.

(b) In the case of a profit-sharing plan, or a stock bonus plan in which contributions are determined with reference to profits, of a group of corporations which is an affiliated group within the meaning of Section 1504 of the Federal Internal Revenue Code of 1954, if any member of such affiliated group is prevented from making a contribution which it would otherwise have made under the plan, by reason of having no current or accumulated earnings or profits or because such earnings or profits are less than the contributions which it would otherwise have made, then so much of the contribution which such member was so prevented from making may be made, for the benefit of the employees of such member, by the other members of the group, to the extent of current or accumulated earnings or profits, except that such contribution by

each such other member shall be limited, where the group does not file a consolidated return, to that proportion of its total current and accumulated earnings or profits remaining after adjustment for its contribution deductible without regard to this subsection which the total prevented contribution bears to the total current and accumulated earnings or profits of all members of the group remaining after adjustment for all contributions deductible without regard to this subsection. Contributions made under the preceding sentence shall be deductible under subsection (a) by the employer making such contribution, and, for the purpose of determining amounts which may be carried forward and deducted under the second sentence of subsection (a) in succeeding income years, shall be deemed to have been made by the employer on behalf of whose employees such contributions were made.

SEC. 45. Section 24607 of the Revenue and Taxation Code is amended to read:

24607. For purposes of Sections 24601, 24602, and 24603, a taxpayer shall be deemed to have made a payment on the last day of the preceding income year if the payment is on account of such income year and is made not later than the time prescribed by law for filing the return for such income year (including extensions thereof).

SEC. 46. Section 24608 of the Revenue and Taxation Code is amended to read:

24608. If amounts are deductible under Sections 24601 and 24603, or Sections 24602 and 24603, or Sections 24601, 24602, and 24603, in connection with two or more trusts, or one or more trusts and an annuity plan, the total amount deductible in an income year under such trusts and plans shall not exceed the greater of 25 percent of the compensation otherwise paid or accrued during the income year to the beneficiaries of the trusts or plans, or the amount of contributions made to or under the trusts or plans to the extent such contributions do not exceed the amount of employer contributions necessary to satisfy the minimum funding standard provided by Section 412 of the Internal Revenue Code of 1954 as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406) for the plan year which ends with or within such income year (or for any prior plan year). In addition, any amount paid into such trust or under such annuity plans in any income year in excess of the amount allowable with respect to such year under the preceding provisions of this section shall be deductible in the succeeding income years in order of time, but the amount so deductible under this sentence in any one such succeeding income year together with the amount allowable under the first sentence of this section shall not exceed 25 percent of the compensation otherwise paid or accrued during such income years to the beneficiaries under the trusts or plans. This section shall not have the effect of reducing the amount otherwise deductible under Sections 24601, 24602, and 24603, if no employee is a beneficiary under more than one trust, or a trust and an annuity

plan.

SEC. 47. Section 24610 of the Revenue and Taxation Code is amended to read:

24610. If contributions are paid by an employer—

(a) Under a plan under which such contributions are held in trust for the purpose of paying (either from principal or income or both) for the benefit of employees and their families and dependents at least medical or hospital care, or pensions on retirement or death of employees; and

(b) Such plan was established prior to January 1, 1954, as a result of an agreement between employee representatives and the government of the United States during a period of government operation, under seizure powers, of a major part of the productive facilities of the industry in which such employer is engaged,

such contributions shall not be deductible under this article or be made nondeductible by this article, but the deductibility thereof shall be governed solely by Section 24343 (relating to trade or business expenses). For purposes of this article and Part 8 and Part 9 of this division, in the case of any individual who before July 1, 1974, was a participant in a plan described in the preceding sentence—

(A) Such individual, if he is or was an employee within the meaning of Section 17502.2(a), shall be treated (with respect to service covered by the plan) as being an employee other than an employee within the meaning of Section 17502.2(a) and as being an employee of a participating employer under the plan,

(B) Earnings derived from service covered by the plan shall be treated as not being earned income within the meaning of Section 17502.2(b), and

(C) Such individuals shall be treated as an employee of a participating employer under the plan with respect to service before July 1, 1975, covered by the plan.

Section 24437 (relating to deductions incurred by certain membership organizations in transactions with members) does not apply to any trust described in this section. The first and third sentences of this section shall have no application with respect to amounts contributed to a trust on or after any date on which such trust is qualified for exemption from tax under Section 17631 of Part 10 of Division 2 of this code.

SEC. 48. It is the intent of the Legislature that if this bill and Senate Bill No. 1375 or Assembly Bill No. 4520, or both, are chaptered and amend Section 17204 of the Revenue and Taxation Code, and this bill is chaptered last, that amendments proposed by each of the bills which are chaptered be given effect as follows:

(a) If this bill and Senate Bill No. 1375 are both chaptered and amend Section 17204 of the Revenue and Taxation Code, but Assembly Bill No. 4520 is not chaptered or as chaptered does not amend that section, and this bill is chaptered after Senate Bill No. 1375, the amendments proposed by both bills shall be given effect and incorporated in Section 17204 in the form set forth in Section 6.1

of this act. Therefore, if Senate Bill No. 1375 is chaptered before this bill and both bills amend Section 17204, and Assembly Bill No. 4520 is not chaptered or as chaptered does not amend that section, Section 6.1 of this act shall be operative and Sections 6, 6.2 and 6.3 of this act shall not become operative.

(b) If this bill and Assembly Bill No. 4520 are both chaptered and amend Section 17204 of the Revenue and Taxation Code, but Senate Bill No. 1375 is not chaptered or as chaptered does not amend that section, and this bill is chaptered after Assembly Bill No. 4520, the amendments proposed by both bills shall be given effect and incorporated in Section 17204 in the form set forth in Section 6.2 of this act. Therefore, if Assembly Bill No. 4520 is chaptered before this bill and both bills amend Section 17204, and Senate Bill No. 1375 is not chaptered or as chaptered does not amend that section, Section 6.2 shall be operative and Sections 6, 6.1 and 6.3 of this act shall not become operative.

(c) If this bill and Senate Bill No. 1375 and Assembly Bill No. 4520 are all chaptered, and all three bills amend Section 17204 of the Revenue and Taxation Code, and this bill is chaptered after Senate Bill No. 1375 and Assembly Bill No. 4520, the amendments proposed by all three bills shall be given effect and incorporated in Section 17204 in the form set forth in Section 6.3 of this act. Therefore, if Senate Bill No. 1375 and Assembly Bill No. 4520 are both chaptered before this bill and all three bills amend Section 17204 of the Revenue and Taxation Code, Section 6.3 of this act shall be operative and Sections 6, 6.1 and 6.2 of this act shall not become operative.

SEC. 49. It is the intent of the Legislature, if this bill and Senate Bill No. 1684 are both chaptered and amend Section 18807 of the Revenue and Taxation Code, and this bill is chaptered after Senate Bill No. 1684, that Section 18807 of the Revenue and Taxation Code, as amended by Section 41 of this act shall remain operative only until the operative date of Senate Bill No. 1684, and that on the operative date of Senate Bill No. 1684 Section 18807 of the Revenue and Taxation Code as amended by Section 41 of this act be further amended in the form set forth in Section 41.1 of this act to incorporate the changes in Section 18807 proposed by Senate Bill No. 1684. Therefore, Section 41.1 of this act shall become operative only if Senate Bill No. 1684 is chaptered before this bill and amends Section 18807, and in such case Section 41.1 of this act shall become operative on the operative date of Senate Bill No. 1684.

SEC. 50. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the operative effect of the provisions of this act shall be as follows:

(a) If this act is chaptered on or before April 15, 1976, the provisions affecting the computation of taxes under the Personal Income Tax Law shall apply to taxable years beginning on or after January 1, 1975, and if this act is chaptered after April 15, 1976, then these provisions shall apply to the computation of such taxes for

taxable years beginning on or after January 1, 1976.

(b) If this act is chaptered on or before April 15, 1976, provisions affecting computation of taxes under the Bank and Corporation Tax Law shall apply to income years beginning on or after January 1, 1975, and if this act is chaptered after April 15, 1976, then these provisions shall apply to the computation of such taxes for income years beginning on or after January 1, 1976.

CHAPTER 535

An act to amend Sections 20820, 20826, 20826.5, 20880, 20884, and 20888 of, to add Section 20820.5 to, and to repeal Section 20820.5 of, the Business and Professions Code, relating to petroleum.

[Became law without Governor's signature August 23, 1976.
Filed with Secretary of State August 23, 1976.]

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

SECTION 1. Section 20820 of the Business and Professions Code is amended to read:

20820. No person shall sell, offer for sale, or advertise for sale, at retail to the general public, any gasoline or other motor vehicle fuel from any place of business in this state by use of or through or from any dispensing apparatus, unless there is displayed on such dispensing apparatus in a conspicuous place at least one sign showing the actual total price per gallon or liter, and the minimum octane number or antiknock index of, all gasoline or other motor vehicle fuel sold, offered for sale, or advertised for sale therefrom. The actual total price per gallon, or liter, shall include fuel taxes and all sales taxes.

If gasoline or other motor vehicle fuel is sold by the liter, the word "liter" shall be conspicuously displayed in letters of not less than one-half inch in height on the side of the dispensing apparatus from which service can be made.

For purposes of this subdivision "gasoline" does not include gasoline sold for aviation purposes.

As used in this subdivision "octane number" means the octane number of the gasoline adopted by the Federal Trade Commission and if the Federal Trade Commission does not adopt an octane number, then the American Society for Testing and Materials octane number or antiknock index number of the gasoline as defined by Section 20710.

The provisions of this section relating to the posting of octane numbers shall not be operative unless and until the Federal Trade Commission or any federal governmental agency adopts regulations relating to posting of octane numbers, in which case the provisions of this section shall become operative at the time designated in such

regulations.

SEC. 1.5. Section 20820.5 is added to the Business and Professions Code, to read:

20820.5. (a) Any person selling, offering for sale, or advertising for sale, at retail to the general public, any gasoline or other motor vehicle fuel from any place of business in this state by use of or through or from any dispensing apparatus and displaying any sign showing the actual total price per liter, shall, in addition, display in a conspicuous fashion in full view of the retail purchaser and in accordance with provisions of this chapter, a gallon-to-liter conversion table showing quantity and price equivalents.

(b) This section shall remain in effect until January 1, 1980, and on such date is repealed.

SEC. 2. Section 20826 of the Business and Professions Code is amended to read:

20826. A price indicator used in connection with a computing meter pump or a pump designed to compute price fulfills the requirements of this article; provided, all letters, figures or numerals used to designate the total fuel-tax-included price per gallon or liter are clear and distinct and so located as to be plainly discernible to the purchaser and, provided further, that where sales tax is to be added a sign so stating and designating the rate and tax base shall be conspicuously displayed on the dispensing apparatus.

SEC. 3. Section 20826.5 of the Business and Professions Code is amended to read:

20826.5. No person shall display on any dispensing apparatus from which gasoline or other motor vehicle fuel is being offered for sale or sold, any sign referring to the price of such gasoline or other motor vehicle fuel, which shall include a price indicator used in connection with a computing meter pump or a pump designed to compute price, unless such sign is limited to the actual total price per gallon or liter of all gasoline or other motor vehicle fuel, as prescribed in Sections 20820 and 20826 of this article.

SEC. 4. Section 20880 of the Business and Professions Code is amended to read:

20880. (a) Nothing in this article shall be construed to apply to the price signs referred to in Article 5 (commencing with Section 20820) of this chapter; provided, however, that any numerals designating the net tax-included price per gallon or liter for a particular brand or trade name of gasoline or motor vehicle fuel permitted under the provisions of Article 5 (commencing with Section 20820) of this chapter, unless otherwise stated herein, shall be identical in numerical value with numerals designating the net tax-included price per gallon or liter for the same brand or trade name of gasoline or other motor vehicle fuel permitted under the provisions of this article.

(b) Nothing in this article shall be construed to apply to the price signs referred to in Article 5 (commencing with Section 20820) of this chapter; provided, however, that any numerals designating the net

tax-included price per gallon or liter and the minimum octane number for a particular brand or trade name of gasoline permitted under the provisions of Article 5 (commencing with Section 20820) of this chapter, unless otherwise stated herein, shall be identical in numerical value with numerals designating the net tax-included price per gallon or liter and the minimum octane number for the same brand or trade name of gasoline permitted under the provisions of this article.

For purposes of this subdivision "gasoline" does not include gasoline sold for aviation purposes.

As used in this subdivision "octane number" means the American Society for Testing and Materials octane number of the gasoline as defined by Section 20710.

(c) No person shall keep, maintain or display on or near the premises of any place of business in this state any advertising medium, which indicates or shows or advertises the price of gasoline or other motor vehicle fuel sold, offered for sale or advertised for sale from such premises, unless the actual price per gallon or liter of gasoline or other motor vehicle fuel including taxes is also shown on such advertising medium, together with the word or words "gasoline" or "motor fuel" and the trade name or brand and grade designation of the gasoline or other motor vehicle fuel product advertised for sale by such advertising medium.

The numerals indicating the price on such sign shall be of uniform size and at least six inches in height. All letters or numerals used in designating the brand name or the words "no brand" on such sign shall not be less than one-third the size of the numerals designating the price and the height of such letters or numerals shall not be more than twice the dimension of the width. All letters or numerals used in designating the product, such as "gasoline" or other motor fuel, shall be not less than one-third the size of the numerals designating the price; and the height of such letters or numerals shall not be more than twice the dimension of the width, except that these letters or numerals need not be larger than four inches in height. All letters or numerals on such sign designating the grade of the gasoline or motor fuel shall be not less than one-sixth the size of the numerals designating the price and the height of such letters or numerals shall not be more than twice the dimension of the width, except that these letters or numerals need not be larger than four inches in height. If gasoline or other motor vehicle fuel is sold by the liter and advertised, the word "liter" shall be displayed on such sign in letters not less than one-third the size of the numerals designating the price and the height of such letters shall not be more than twice the dimension of the width.

(d) No person offering for sale or selling any gasoline or motor vehicle fuel from any place of business in the State of California shall post or display a sign or statement or other advertising medium reading, in substance, "save" a designated amount, or a designated amount per gallon or liter, such as "save 5 cents" or "save 5 cents per

gallon or liter", or using the expression "off" a designated amount, such as "5 cents off" or "5 cents less", or "discount" of a given amount, such as "5 cents discount", or otherwise using the words "save", "off", "discount", "less", "below", or any of them, or a word or words of similar meaning or other phraseology indicating a reduced price, unless there is posted and displayed in letters and numerals of at least equal size and as part of the same sign, statement or other advertising medium, the total price, or prices per gallon or liter, including all taxes from which such reduction will be made, the reduction given and the total net price per gallon, including all taxes, at which gasoline or other motor vehicle fuel is being sold or offered for sale. Words shall be used to explain the reduced price, the amount of reduction, and the price from which the reduction is made. Such words shall be clearly shown in letters at least one-third the size of the numerals indicating the prices.

(e) In the event that the same brand or grade of gasoline or motor fuel is sold at different prices from the dispensing devices on the premises of any single place of business, it shall be unlawful for any person to post or display any sign or advertising medium which indicates or shows or advertises a price of such brand or grade unless such sign or advertising medium indicates, shows, or advertises in letters or numerals of equal size each of the higher prices, including all taxes, for which such brand or grade is sold, offered for sale, or advertised for sale and unless such sign or advertising medium explains the conditions under which such brand or grade is advertised for sale, at different prices. The words of explanation shall be clearly shown in letters at least one-third the size of the numerals indicating the prices.

The provisions of this section relating to the posting of octane numbers shall not be operative unless and until the Federal Trade Commission or any federal governmental agency adopts regulations relating to posting of octane numbers, in which case the provisions of this section shall become operative at the time designated in such regulations.

SEC. 5. Section 20884 of the Business and Professions Code is amended to read:

20884. Except as provided in subdivisions (d) and (e) of Section 20880 the advertising medium referred to in this article shall not contain any other advertising matter whatsoever, except (1) words of description of the products sold or offered for sale, and (2) method of sale, such as "self serve", "full serve", or words of similar meaning. Any letters, figures or numerals used on the advertising medium as permitted by (1) shall not be larger than the words, letters, figures, or numerals used to indicate the price per gallon or liter on the sign. Any letters, figures or numerals used on the advertising medium as permitted by (2) shall not be less than one-third the size of the words, letters, figures or numerals used to indicate the price per gallon or liter on the sign.

SEC. 6. Section 20888 of the Business and Professions Code is

amended to read:

20888. All words, letters, figures or numerals designating or indicating the price of gasoline or other motor vehicle fuel so offered for sale shall be of like color or tint, and all letters used in the word "gasoline" or the words "motor fuel" shall be of like color or tint and all letters used in the unit of measure shall be of like color or tint.

CHAPTER 536

An act to add Section 4047.8 to, and to amend Sections 651.3 and 4333 of, the Business and Professions Code, relating to pharmacists.

[Became law without Governor's Signature August 24, 1976. Filed with Secretary of State August 24, 1976.]

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

SECTION 1. Section 651.3 of the Business and Professions Code is amended to read:

651.3. (a) No person, whether or not licensed under this division, shall advertise or cause or permit to be advertised, any representations in any form which in any manner, whether directly or indirectly, refer to the cost, price, charge, or fee to be paid for any commodity or commodities furnished or any service or services performed by any person licensed as a physician and surgeon, optometrist, pharmacist, or registered dispensing optician, when those commodities or services are furnished in connection with the professional practice or business for which he is licensed; provided, however, that the provisions of this section do not apply to the furnishing of information regarding benefits available, and charges therefor, under the coverage of any hospital or medical service or health care service or insurance plan.

(b) This section shall not be construed to do any of the following:

(1) Modify or establish prices or fees or modify or affect in any manner any other provisions of this division.

(2) Prohibit advertising concerning the allowance of credit, time payments, budget terms, or the allowance of any other method of payment for a commodity or a service where the advertising contains no indication of cost, price, charge, or fee.

(3) Prohibit the advertising of any drug or device which does not require a prescription.

(4) Prohibit the advertisement of a drug which requires a prescription; provided such advertisement is limited to a reference to and includes the retail price, the brand name of the drug, the generic drug type where applicable, quantity, strength, and dosage form although it may also include information about professional services available, the store, hours, and locations; and further provided that all of the following conditions are met:

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(i) Advertisements shall include a statement of the professional services available or contain a reproduction of the professional services portion of the pricing poster in accordance with, and as described in, Section 4333.

(ii) Advertisements shall include the dates during which the advertised price will be in effect. Such period shall not be less than 15 consecutive days.

(iii) Advertisements may include other information not related to advertised drugs provided the advertiser spacially separates the prescription drug advertisements from advertisements of nonprescription drugs or other goods or any other material in the advertisement, and providing that any such material does not encourage the use of any prescription drug nor in any other way advertise, inform or relate to prescription drugs.

(iv) The quantities of the prescription drugs advertised are generally equal to the quantities usually prescribed in accordance with good medical practice.

(v) The advertiser shall have in stock sufficient quantities of the advertised prescription drugs to meet any reasonable demands for the advertised product for a period of at least 15 days, taking into consideration the previous demands for the drug, and the seller's anticipated demands therefor.

(c) Notwithstanding provisions of this section, any labor organization, bona fide employee group or bona fide employee association having contracted health care services from a health care service plan under the Knox-Mills Health Plan Act (commencing with Section 12530 of the Government Code) may inform its members as to the benefits available and the charges therefor.

(d) Before any new or revised written advertising or solicitation, or any form of evidence of coverage, is adopted by a health care service plan under the Knox-Mills Health Plan Act (commencing with Section 12530 of the Government Code) for distribution to members pursuant to subdivision (c), the proposed new or revised advertising or solicitation or evidence of coverage shall be submitted to the Attorney General who shall, within 30 days, prohibit its use if he determines that the advertising or solicitation or evidence of coverage as proposed is untrue or misleading or deceptive as determined pursuant to the definitions contained in Section 12531 of the Government Code. The Attorney General shall notify the plan or its representatives of such determination.

(e) Any labor organization, bona fide employee group or bona fide employee association, contracting for a health care service plan under this section, shall not derive any profit from such plan.

Nothing contained in this section shall be construed as authorizing a provider of medical assistance, including a prepaid health plan, under the Medi-Cal Act or the Waxman-Duffy Prepaid Health Plan Act to advertise in violation of any of the provisions of such acts and regulations developed thereto.

SEC. 2. Section 4047.8 is added to the Business and Professions

Code, to read:

4047.8. Notwithstanding any other provision of law, prescription drugs may be advertised provided such advertisement conforms with the requirements of Section 651.3.

SEC. 3. Section 4333 of the Business and Professions Code is amended to read:

4333. (a) Notwithstanding any other provision of this code, in every pharmacy there shall be posted on the premises in a place conspicuous to customers and easily accessible and easily readable by customers a list, provided by the board, of the 100 prescription drugs most frequently sold in this state, and the professional services and nonprofessional convenience services associated with the dispensing of drugs as specified by the board. The list shall be of uniform style and size, no smaller than 17 inches wide by 28 inches high, and shall provide space for the insertion of the retail price charged in the pharmacy for the three quantities most frequently dispensed in this state, as determined by the board, of each of the designated drugs, and provide space for the pharmacy to indicate the professional services and nonprofessional convenience services which are provided or not provided by the pharmacy as part of the retail price charged for the drug. The list shall be completed and posted by every pharmacy in accordance with regulations adopted by the board, and shall be revised annually on dates specified by the board as the board shall direct.

(b) A pharmacist, or his employee, upon request, however communicated to him, shall give the current retail price for any drug sold at the pharmacy, including those posted pursuant to subdivision (a).

(c) This section shall not apply to a pharmacy, located in a licensed hospital, which is accessible only to hospital medical staff and personnel.

CHAPTER 537

An act to amend Section 10921 of, and to add Sections 6871.6 and 6872.1 to, the Education Code, relating to special education.

[Approved by Governor August 23, 1976. Filed with Secretary of State August 24, 1976.]

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

SECTION 1. Section 6871.6 is added to the Education Code, to read:

6871.6. In the event that the department, pursuant to Section 6871.5, affirms the decision of the county superintendent of schools, the parent or guardian may petition the appropriate superior court for a writ of mandate. If a writ of mandate is issued ordering the

admission of a pupil, the school district shall be liable to the parent or guardian for reasonable attorney fees and all other court costs.

SEC. 2. Section 6872.1 is added to the Education Code, to read:

6872.1. Notwithstanding any other provision of law, the tuition payments required by this chapter shall, at the written request of the parent or guardian, be paid by the school district directly to the private nonsectarian school, institution, or agency in which the pupil is enrolled, at the end of each calendar month of attendance and in prorated amounts determined pursuant to regulations of the Superintendent of Public Instruction.

SEC. 3. Section 10921 of the Education Code is amended to read:

10921. At the beginning of the first semester or quarter of the regular school term the governing board of each school district shall notify the parent or guardian of its minor pupils regarding the right of the parent or guardian under Sections 1086, 6871, 8506, 8701, 11704, 11753.1, 11822, and 11853.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

CHAPTER 538

An act to amend Section 1777.5 of, and to add Section 1777.7 to, the Labor Code, relating to apprenticeship standards.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 24, 1976.]

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

SECTION 1. Section 1777.5 of the Labor Code is amended to read:

1777.5. Nothing in this chapter shall prevent the employment of properly indentured apprentices upon public works.

Every such apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he is employed, and shall be employed only at the work of the craft or trade to which he is indentured.

Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards and written apprentice agreements under Chapter 4 (commencing at Section 3070), Division 3, of the Labor Code, are eligible to be employed on public works. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which he is training.

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When the contractor to whom the contract is awarded by the state or any political subdivision, or any subcontractor under him, in performing any of the work under the contract or subcontract, employs workmen in any apprenticeable craft or trade, the contractor and subcontractor shall apply to the joint apprenticeship committee administering the apprenticeship standards of the craft or trade in the area of the site of the public work for a certificate approving the contractor or subcontractor under the apprenticeship standards for the employment and training of apprentices in the area of the site of the public work. Contractors or subcontractors shall not be required to submit individual applications for approval to local joint apprenticeship committees provided they are already covered by the local apprenticeship standards. The ratio of apprentices to journeymen who shall be employed in the craft or trade on the public work may be the ratio stipulated in the apprenticeship standards under which the joint apprenticeship committee operates, but in no case shall the ratio be less than one apprentice for each five journeymen, except as otherwise provided in this section.

The contractor or subcontractor, if he is covered by this section, shall, upon the issuance of the approval certificate, or if he has been previously approved in such craft or trade, shall, employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the apprenticeship standards. Upon proper showing by the contractor that he employs apprentices in such craft or trade in the state on all of his contracts on an annual average of not less than one apprentice to each eight journeymen, the Division of Apprenticeship Standards shall grant a certificate exempting the contractor from the 1-to-5 ratio as set forth in this section. This section shall not apply to contracts of general contractors involving less than thirty thousand dollars ($30,000) or 20 working days or to contracts of specialty contractors not bidding for work through a general or prime contractor, involving less than two thousand dollars ($2,000) or fewer than five working days.

"Apprenticeable craft or trade," as used in this section, shall mean a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the Apprenticeship Council. The joint apprenticeship committee shall have the discretion to grant a certificate exempting a contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(a) In the event unemployment for the previous three-month period in such area exceeds an average of 15 percent, or

(b) In the event the number of apprentices in training in such area exceeds a ratio of 1 to 5, or

(c) If there is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either (1) on a statewide basis, or (2) on a local basis.

(d) If assignment of an apprentice to any work performed under

a public works contract would create a condition which would jeopardize his life or the life, safety, or property of fellow employees or the public at large or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman.

When such exemptions are granted to an organization which represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis the member contractors will not be required to submit individual applications for approval to local joint apprenticeship committees, provided they are already covered by the local apprenticeship standards.

A contractor to whom the contract is awarded, or any subcontractor under him, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade and who is not contributing to a fund or funds to administer and conduct the apprenticeship program in any such craft or trade in the area of the site of the public work, to which fund or funds other contractors in the area of the site of the public work are contributing, shall contribute to the fund or funds in each craft or trade in which he employs journeymen or apprentices on the public work in the same amount or upon the same basis and in the same manner as the other contractors do, but where the trust fund administrators are unable to accept such funds, contractors not signatory to the trust agreement shall pay a like amount to the California Apprenticeship Council. The contractor or subcontractor may add the amount of such contributions in computing his bid for the contract. The Division of Labor Law Enforcement is authorized to enforce the payment of such contributions to the fund or funds as set forth in Section 227.

The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. Such stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.

All decisions of the joint apprenticeship committee under this section are subject to the provisions of Section 3081.

SEC. 2. Section 1777.7 is added to the Labor Code, to read:

1777.7. In the event a licensed contractor willfully fails to comply with the provisions of Section 1777.5, such licensee shall be denied the right to bid on any public works contract for a period of one year from the date the determination of noncompliance is made by the Administrator of Apprenticeship and, notwithstanding the provisions of Section 1727, upon receipt of such a determination the awarding body shall withhold from contract progress payments then due or to become due the sum of five thousand dollars ($5,000). Any determination shall be issued after a full investigation, a fair and impartial hearing, and reasonable notice thereof in accordance with reasonable rules and procedures prescribed by the California Apprenticeship Council. Any funds withheld by the awarding body pursuant to this section shall be released to the contractor upon

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issuance of an order to that effect by the administrator, or upon completion of the contract.

The interpretation and enforcement of Sections 1777.5 and 1777.7 shall be in accordance with the rules and procedures of the California Apprenticeship Council.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 539

An act to add Section 219 to the Health and Safety Code, relating to emergency medical services.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 24, 1976]

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

SECTION 1. Section 219 is added to the Health and Safety Code, to read:

219. (a) The director may develop, or prescribe standards for and approve, an emergency medical technician training and testing program for the California Highway Patrol, Division of Forestry, and other public safety agency personnel, upon the request of, and as deemed appropriate by, the director for the particular agency.

(b) The director may, with the concurrence of the California Highway Patrol, designate the California Highway Patrol Academy as a site where such training and testing may be offered.

(c) The director may prescribe that each person, upon successful completion of the training course and upon passing a written and a practical examination, be certified as an emergency medical technician of an appropriate classification. A suitable identification card may be issued to each certified person to designate that person's emergency medical skill level.

(d) The director may prescribe standards for refresher training to be given to persons trained and certified under this section.

CHAPTER 540

An act to add Section 14672.91 to the Government Code, relating to state property.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 24, 1976]

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

SECTION 1. Section 14672.91 is added to the Government Code, to read:

14672.91. Notwithstanding Section 14670, the Director of General Services, with the consent of the Department of Corrections, may lease to the County of Humboldt a 5.5-acre portion of the property situated in the County of Humboldt known as the Eel River Conservation Camp for a period not to exceed 20 years for purposes of operating a refuse disposal facility.

CHAPTER 541

An act to amend Sections 2193, 2193.5, and 2294 of the Business and Professions Code, relating to medicine.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 24, 1976.]

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

SECTION 1. Section 2193 of the Business and Professions Code is amended to read:

2193. Any applicant who does not qualify under Section 2193.5 and whose application is based on a medical education acquired in a country other than the United States or Canada shall provide evidence satisfactory to the board that he has done each of the following:

(a) He has completed in a medical school or schools a resident course of professional instruction equivalent to that required by Sections 2191 and 2192 for a physician and surgeon applicant and has been issued a document approved by the board which shows final and successful completion of the course.

(b) He has been admitted or licensed to practice medicine and surgery in a country or other state of the United States wherein licensure requirements are satisfactory to the board.

(c) He has completed one of the following types of hospital service:

(1) He has completed the premedical education required by Section 2191 in a college or university in the United States and has served at least one year in a clinical service satisfactory to the board

in a hospital located in the United States or Canada which the board finds provides satisfactory first-year postgraduate training.

(2) He has served at least one year in a clinical service satisfactory to the board in a hospital located in this state which the board finds provides satisfactory first-year postgraduate training.

(3) He has served at least two years of clinical service satisfactory to the board in a hospital located in the United States or Canada which the board finds provides satisfactory first-year postgraduate training.

(4) He is a diplomate of an American specialty board approved by the American Medical Association, but no more than one year of his specialty training was acquired outside the United States or Canada.

Before a certificate may be issued, the applicant shall not only meet the requirements of subdivisions (a), (b), and (c) but also pass the written examination as provided under Article 10 (commencing with Section 2280) of this chapter, and an oral and comprehensive clinical examination. Prior to commencing any clinical service in a hospital in this state, an applicant shall have first passed the written examination prescribed in Article 10. If the written examination prescribed in Article 10 consists of an examination divided into parts, the applicant may elect to take any part or combination of parts at one examination and complete the examination on the following examination date.

Nothing contained in this section shall prohibit the board from disapproving any foreign medical school nor from denying the application if, in the opinion of the board, the instruction received by the applicant or the courses were not equivalent to that required in this article for a physician and surgeon applicant.

SEC. 2. Section 2193.5 of the Business and Professions Code is amended to read:

2193.5. Any applicant whose application is based on a medical education acquired in a country other than the United States or Canada and who either (1) is a United States citizen or (2) has filed a declaration of intention to become a United States citizen or a petition for naturalization or comparable document, shall provide evidence satisfactory to the board that he has done each of the following:

(a) He has completed in a medical school or schools a resident course of professional instruction equivalent to that required in Sections 2191 and 2192 for a physician and surgeon applicant, and has been issued a document approved by the board which shows final and successful completion of the course.

(b) He has completed one of the following types of hospital service:

(1) He has been engaged in the practice of medicine in the United States for at least four years in a hospital or hospitals approved by the board for postgraduate training, one of which years shall have been a formal postgraduate training position.

(2) He is a diplomate of an American specialty board approved by

the American Medical Association, but no more than one year of the specialty training was acquired outside the United States or Canada.

(3) He has served at least two years of clinical service satisfactory to the board in a hospital located in the United States or Canada which the board finds provides satisfactory first-year postgraduate training.

(4) He has completed the premedical education required by Section 2191 in a college or university located in the United States, and has served at least one year in a clinical service satisfactory to the board in a hospital located in the United States or Canada which the board finds provides satisfactory first-year postgraduate training.

Before a certificate may be issued, the applicant shall not only meet the requirements of subdivisions (a) and (b) of this section, but also pass the written examination as provided under Article 10 (commencing with Section 2280) of this chapter, and an oral and comprehensive clinical examination. Prior to commencing any clinical service in a hospital in this state, an applicant shall have first passed the written examination prescribed in Article 10. If the written examination prescribed in Article 10 consists of an examination divided into parts, the applicant may elect to take any part or combination of parts at one examination and complete the examination on the following examination date.

Nothing contained in this section shall prohibit the board from disapproving any foreign medical school nor from denying the application if, in the opinion of the board, the instruction received by the applicant or the courses were not equivalent to that required in this article for a physician and surgeon applicant.

SEC. 3. Section 2294 of the Business and Professions Code is amended to read:

2294. Examinations for the physician's and surgeon's certificate and for the podiatrist's certificate may be conducted by the board and the examining committee, respectively, under a uniform examination system, and for that purpose the board or the examining committee may make such arrangements with organizations furnishing examination material as may in its discretion be desirable.

If the written examination prescribed in this article consists of an examination divided into parts, the applicant may elect to take any part or combination of parts at one examination and complete the examination on the following examination date.

SEC. 4. This act shall be operative on and after July 1, 1978.

CHAPTER 542

An act to amend Sections 11756, 11758, and 11784 of the Government Code, relating to electronic data processing.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 24, 1976]

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

SECTION 1. Section 11756 of the Government Code is amended to read:

11756. There is in state government a California Information Systems Implementation Committee, hereafter referred to as the committee. It shall consist of the Secretary of Business and Transportation, Secretary of Health and Welfare, Chairman and Vice Chairman of Assembly Committee on Ways and Means, and Chairman and Vice Chairman of Senate Committee on Finance, Director of Finance, Director of General Services, Chairman and Vice Chairman of the Joint Legislative Budget Committee, and Chairman and Vice Chairman of the Joint Legislative Audit Committee. The chairman shall be elected by the committee at its first meeting.

The committee shall exist for the specific purpose of formulating recommendations regarding appropriate legislative and executive actions required for implementing the state's electronic data-processing policies as set forth in Article 1 (commencing with Section 11700) of Chapter 7.

SEC. 2. Section 11758 of the Government Code is amended to read:

11758. The committee, in carrying out its specific purpose, shall:

(a) Review electronic data-processing policies set forth in Article 1 (commencing with Section 11700) of Chapter 7, and Chapter 8 (commencing with Section 11775), and make recommendations for appropriate additions, deletions or revisions thereto;

(b) Develop electronic data-processing procedures for implementing the policies of protecting the privacy and confidentiality of records and the rights and privacy of the individual as established by law.

(c) Make recommendations for the effective use of electronic data-processing systems in productivity measurements.

(d) Submit an annual report to the Legislature and the Governor on or before February 1 of each year which shall specify the recommendations and procedures for implementing the conclusions of the committee.

SEC. 3. Section 11784 of the Government Code is amended to read:

11784. Any contract entered into by the Department of Finance, any state agency, or any data center, concerning data-processing systems design, programming, documentation, conversion, and other aspects of data-processing operations shall require that contract personnel shall be physically on the premises of the data center or state entity in the conduct of systems design, programming, and documentation; however, these functions other than systems design may be conducted off state premises for the one-time

conversion necessary to place them on the data center equipment in order to implement the data center. Training shall be conducted on state premises unless the equipment being trained for is not installed or available on state premises and such contract shall also contain a provision requiring the contractor and all of his staff working under such contract to maintain all information obtained as a result of such contract as confidential and to not divulge such information to any other person or entity. Where contracts are entered into pursuant to this section, as a condition of such contract, provision shall be made that state personnel are to be working directly with such contract personnel to assure continuation of all projects for which the contract is let after a contractor has fulfilled his contractual obligations. Full documentation of all programs shall reside both in the data center and the state entity for which the program was written.

The provisions of this section shall not apply to the University of California, the State Compensation Insurance Fund, or agencies provided for by Article VI of the Constitution, the Legislative Counsel Bureau, or the Legislature.

CHAPTER 543

An act to add Section 8961.10 to the Health and Safety Code, relating to cemetery districts.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 24, 1976.]

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

SECTION 1. Section 8961.10 is added to the Health and Safety Code, to read:

8961.10. Notwithstanding any other provision of this part, a district may conduct an agricultural or viticultural enterprise on land purchased for future cemetery use if such an agricultural or viticultural enterprise is an existing use on the land at the time of the purchase by the district, the land is contiguous to an existing cemetery, the land is an amount of land reasonably necessary for the district's future requirements, and a declaration of intention to use the land for cemetery purposes has been filed with the county recorder. As an alternative to conducting an agricultural or viticultural enterprise on such land, the district may lease the land for the conduct of such an enterprise.

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CHAPTER 544

An act to amend Section 6309 of the Labor Code, relating to occupational safety and health.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 24, 1976.]

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

SECTION 1. Section 6309 of the Labor Code is amended to read:

6309. Whenever the division learns or has reason to believe that any employment or place of employment is not safe or is injurious to the welfare of any employee, it may, of its own motion, or upon complaint, summarily investigate the same, with or without notice or hearings. However, when the division secures a complaint from an employee, the employee's representative, or an employer of an employee directly involved in an unsafe place of employment, that his employment or place of employment is not safe, it shall, with or without notice or hearing, summarily investigate the same as soon as possible, but not later than three working days after receipt of a complaint charging a serious violation, and not later than 14 calendar days after receipt of a complaint charging a nonserious violation. For purposes of this section, a complaint shall be deemed to allege a serious violation if the division determines that the complaint charges that there is a substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use in a place of employment. All other complaints shall be deemed to allege nonserious violations. The division may enter and serve any necessary order relative thereto. The division is not required to respond to any complaint within such period where, from the facts stated in the complaint, it determines that the complaint is intended to willfully harass an employer or is without any reasonable basis.

The division shall keep complete and accurate records of any such complaints, whether verbal or written, and shall inform the complainant, whenever his identity is known, of any action taken by the division in regard to the subject matter of the complaint, and the reasons for such action. The division shall, pursuant to authorized regulations, conduct an informal review of any refusal by a representative of the division to issue a citation with respect to any such alleged violation. The division shall furnish the employee or the representative of employees requesting such review a written statement of the reasons for the division's final disposition of the case.

The name of any person who submits to the division a complaint regarding the unsafeness of an employment or place of employment shall be kept confidential by the division unless that person requests otherwise.

The requirements of this section shall not relieve the division of its requirement to inspect and assure that all places of employment are safe and healthful for employees. The division shall maintain the capability to receive and act upon complaints at all times.

CHAPTER 545

An act to amend Sections 2526, 2527, 2700, 2759, 2826, and 2850 of, to amend and renumber Sections 2701 and 2703 of, to repeal and add Article 3 (commencing with Section 2550), Article 4 (commencing with Section 2575), Article 5 (commencing with Section 2600), Article 6 (commencing with Section 2625), and Article 7 (commencing with Section 2650) of Chapter 3 of Part 3 of Division 2 of, and to repeal Section 2702 of, the Water Code, relating to determination of water rights, and making an appropriation therefor.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 24, 1976]

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

SECTION 1. Section 2526 of the Water Code is amended to read:

2526. As soon as practicable after granting the petition the board shall prepare and issue a notice setting forth the following:

(a) The facts of the entry of the order and of the pendency of the proceedings;

(b) That all claimants to rights to the use of water of the stream system are required to inform the board within 60 days from the date of the notice, or such further time as the board may allow, of their intention to file proof of claim;

(c) The date prior to which all claimants to rights to the water of the stream system shall notify the board in writing of their intention to file proof of claim and the address to which all subsequent notices to the claimant relating to the proceedings may be sent;

(d) A statement that all claimants will be required to make proof of their claims at a time to be fixed by the board after the conclusion of its investigation.

SEC. 2. Section 2527 of the Water Code is amended to read:

2527. The notice shall be published at least once a week for four consecutive weeks, commencing within 20 days of the date of issuance of the notice, in one or more newspapers of general circulation published in each county in which any part of the stream system is situated, and, within the same 20-day period, the notice shall be mailed to all persons known to the board who own land that appears to be riparian to the stream system or who divert water from the stream system.

SEC. 4. Article 3 (commencing with Section 2550) of Chapter 3

of Part 3 of Division 2 of the Water Code is repealed.

SEC. 5. Article 3 (commencing with Section 2550) is added to Chapter 3 of Part 3 of Division 2 of the Water Code, to read:

Article 3. Investigation of Stream System

2550. As soon as practicable after granting the petition, the board shall begin an investigation of the stream system, of the diversion of water, of all beneficial uses being made of the water, and of the water supply available for those uses, and shall gather such other data and information as may be essential to the proper determination of the water rights in the stream system.

2551. During the investigation the representatives of the board shall, after 30 days' notice in writing to each person who has given notice of intent to file proof of claim, conduct a detailed field investigation of such person's use of water, and shall determine the acreage under irrigation or otherwise define the place of use and purpose of use, determine the location and capacity of such person's diversion works and conduits conveying water from the stream system, and the amount of water diverted and reasonably required to satisfy the uses being made. It shall be the duty of each claimant to be present at some time during the detailed field investigation either in person or by an agent who is authorized to sign the proof of claim.

2552. Each claimant shall have available at the detailed field investigation all pertinent information on the extent and nature of the claimant's water use and basis of water right, so as to expedite the investigation and facilitate the completion of the proof of claim.

2553. Immediately upon conclusion of the detailed field investigation, the claimant or the claimant's representative shall be provided, by registered mail, a blank form of proof of claim and a copy of the factual determinations of the representatives of the board for use in preparing the proof of claim.

2554. During the investigation of the stream system, the board shall also conduct detailed field investigations of projects of all water users known to the board who have not filed a notice of intent to file proof of claim. Such investigations shall be in accordance with Section 2551, except that the water users need not be notified in advance of the investigation.

2555. Water users not present during conduct of the detailed field investigation and those not filing notice of intent shall, insofar as they are known, be supplied a copy of the factual determinations of the representative of the board and a blank form of proof of claim and shall be allowed to file proof of claim after completion of the detailed investigation of their project by the representatives of the board on the same basis as persons who were present and who filed timely notices of intent.

SEC. 6. Article 4 (commencing with Section 2575) of Chapter 3 of Part 3 of Division 2 of the Water Code is repealed.

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SEC. 7. Article 4 (commencing with Section 2575) is added to Chapter 3 of Part 3 of Division 2 of the Water Code, to read:

Article 4. Proof of Claim

2575. The proof of claim shall be filed with the board on the form provided by the board and shall include all of the following:

(a) The name and post office address of the claimant.

(b) The nature of the right on which the claim is based, the date upon which it was initiated, and the purpose of use.

(c) A description of any works of diversion or distribution and the date such works were constructed.

(d) The character of the soil and the location, area, and kind of crops irrigated, if any; the season of use; and the amount of water required and diverted.

(e) The number of people served water, if any.

(f) Such other facts as the board requires to show the extent and nature of the right and compliance with the law in acquiring it.

2576. Each claimant shall certify to the proof of claim statements under oath or penalty of perjury.

2577. Any person not submitting a proof of claim to the board or to representatives of the board by the conclusion of the investigation shall be notified in writing that such person's rights will be entered in the preliminary order of determination by the board based on the measurements and information gathered during the investigation unless a claim is submitted within 30 days of such notification.

SEC. 8. Article 5 (commencing with Section 2600) of Chapter 3 of Part 3 of Division 2 of the Water Code is repealed.

SEC. 9. Article 5 (commencing with Section 2600) is added to Chapter 3 of Part 3 of Division 2 of the Water Code, to read:

Article 5. Report and Preliminary Order of Determination

2600. After all field investigations have been completed and the time for filing proofs of claims has expired, the board shall prepare a report describing the water supply and abstracting the claim of water right of each claimant.

2601. The report shall note separately any material differences between the claims and the factual determinations made by the representatives of the board during the investigation.

2602. The report shall include a map showing the stream system, diversion points, conduits, areas of water use and the type of use, owner's names, and such other information as the board deems necessary.

2603. The report shall include a preliminary order of determination determining and establishing the several rights to the water of the stream system, giving appropriate consideration to claims at variance with the measurements and determinations of the representatives of the board.

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2604. A copy of the report shall be sent by registered mail to each claimant and to each person not filing a claim appearing in the report as a water user. It shall be accompanied by a notice setting a day at least 60 days thereafter, prior to which such persons may file objections to any portion of the report, including the preliminary order of determination.

SEC. 10. Article 6 (commencing with Section 2625) of Chapter 3 of Part 3 of Division 2 of the Water Code is repealed.

SEC. 11. Article 6 (commencing with Section 2625) is added to Chapter 3 of Part 3 of Division 2 of the Water Code, to read:

Article 6. Objections to the Report

2625. The notice shall also set a time and place reasonably convenient to the claimants when and where the proofs of claim and measurements and other data collected by the board during the proceedings will be open and available for inspection by all interested persons. The period of inspection shall be fixed by the board but shall be not less than five days.

2626. A representative of the board shall be present at the time and place designated in the notice, and shall permit, during the period of inspection, any person interested to inspect such evidence and proofs of claim as have been filed.

2627. The period of inspection shall be concluded at least 30 days prior to the expiration of the time allowed claimants for filing objections to the report and preliminary order of determination.

2628. The objections shall be in writing and shall state with reasonable certainty the grounds of the objection.

SEC. 12. Article 7 (commencing with Section 2650) of Chapter 3 of Part 3 of Division 2 of the Water Code is repealed.

SEC. 13. Article 7 (commencing with Section 2650) is added to Chapter 3 of Part 3 of Division 2 of the Water Code, to read:

Article 7. Hearing of Objections

2650. Within 10 days after the close of the period for filing objections, the board shall mail copies of the objections to the claimant or water user against whom the objections are directed and shall notify by registered mail the persons whose rights are significantly affected to appear before it at a time and place specified and at such time and place the objections will be heard. The time specified shall be as soon as practicable but not less than 15 days from the date of the mailing of the notice of hearing.

2651. The board may adjourn hearings of objections from time to time upon reasonable notice to all parties in interest.

2652. The costs of taking testimony at a hearing on an objection shall be borne by the parties thereto as follows: each party shall pay for the direct examination of his own witness and the cross-examination of opponent's witness, and the parties shall share

equally for that part of the examination directed by the representative of the board.

2653. One copy of the transcript of testimony taken at the hearing shall be furnished to the board at the cost of the parties.

SEC. 14. Section 2700 of the Water Code is amended to read:

2700. As soon as practicable after the hearing of objections or the expiration of the time for filing objections if no objections are filed, the board shall make and cause to be entered of record in its office an order determining and establishing the several rights to the water of the stream system.

SEC. 15. Section 2702 of the Water Code is repealed.

SEC. 16. Section 2701 of the Water Code is amended and renumbered to read:

2702. Within 30 days after notice by the board to the parties of entry in the records of the board of an order of determination, the board may for good cause shown reopen the proceedings and grant a rehearing.

SEC. 17. Section 2703 of the Water Code is amended and renumbered to read:

2701. A notice of entry in the records of the board of the order of determination and a copy of the order shall be sent by registered mail to each claimant and to each person whose rights are determined in the order.

SEC. 18. Section 2759 of the Water Code is amended to read:

2759. A copy of each notice of exception shall be sent by registered mail at least 10 days prior to the hearing to the board and to each person who was an adverse party to any issue raised by the exception at a hearing of the board.

SEC. 19. Section 2826 of the Water Code is amended to read:

2826. Upon entry of a supplemental decree establishing or modifying a right, the board shall furnish to each claimant who could be significantly affected, at his last known address, a copy of the supplemental decree and a notice of entry thereof.

SEC. 20. Section 2850 of the Water Code is amended to read:

2850. At the time of submission of proofs, the board shall collect from each claimant a fee of ten dollars ($10) for each proof filed by the claimant.

CHAPTER 546

An act to amend Sections 40077, 40078, 40079, and 40095 of, to add Sections 40062, 40081, 40096, 40097, and 40098 to, and to repeal Section 40062 of, the Public Utilities Code, relating to transit districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 24, 1976]

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

SECTION 1. Section 40062 of the Public Utilities Code is repealed.

SEC. 2. Section 40062 is added to the Public Utilities Code, to read:

40062. The board shall appoint a clerk, a general manager, a counsel, a treasurer, and an auditor of the district.

SEC. 2.5. Section 40077 of the Public Utilities Code is amended to read:

40077. The board may, from time to time, contract for or employ any professional service required by the district or for the performance of work or services which cannot satisfactorily be performed by the regular employees of the district.

The board may contract for the services of a treasurer, auditor, counsel, clerk, and general manager.

SEC. 3. Section 40078 of the Public Utilities Code is amended to read:

40078. (a) The Auditor of the County of Orange shall provide the board with an annual audit of all books and accounts of the district, unless an audit by a certified public accountant or public accountant is otherwise provided by the board. The county auditor may make, or may contract with a certified public accountant or public accountant to make, the annual audit. Any costs incurred by the county auditor, including contracts with or employment of, a certified public accountant or public accountant, in making the audit pursuant to this section shall be borne by the district.

(b) Where an audit of the district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the State Controller and shall conform to generally accepted auditing standards. A report shall be filed with the Auditor of the County of Orange within 12 months of the end of the fiscal year under examination.

SEC. 4. Section 40079 of the Public Utilities Code is amended to read:

40079. Payment of claims against the district and disbursement of district funds shall be in the manner provided for claims against a county and disbursements of funds of a county.

The board, however, may provide by resolution for the payment of claims against the district without the prior specific approval thereof by the board, subject to such conditions as prescribed by the board.

SEC. 5. Section 40081 is added to the Public Utilities Code, to read:

40081. To facilitate the business of the district, the board may provide for the creation and administration of such funds as the needs of the district may require. The funds shall be disbursed in accordance with rules adopted by the board, and all payments from any fund shall be reported to the board.

SEC. 6. Section 40095 of the Public Utilities Code is amended to read:

40095. The board shall appoint and fix the salary of a general manager who shall have full charge of the acquisition, construction, maintenance, and operation of the facilities of the district, and of the administration of the business affairs of the district.

SEC. 7. Section 40096 is added to the Public Utilities Code, to read:

40096. The board may designate the Treasurer, the Auditor, the County Counsel, and the Clerk of the County of Orange as the treasurer, auditor, counsel, and clerk of the district, and the treasury of that county may be designated the depositary for district funds for such time as the board may determine. Any costs incurred by the Treasurer, Auditor, County Counsel, and Clerk of the County of Orange in performing services for the district shall be borne by the district.

SEC. 8. Section 40097 is added to the Public Utilities Code, to read:

40097. The treasurer shall be the custodian of the funds of the district and shall make payments only upon warrants duly and regularly signed by the chairman of the board or any other person so authorized by the board. The treasurer shall keep an account of all receipts and disbursements.

SEC. 9. Section 40098 is added to the Public Utilities Code, to read:

40098. Notwithstanding any other provision of law which requires warrants to be paid by the county auditor, the district treasurer shall pay the warrant if sufficient district funds are available.

In the event that the district designates the treasury of the County of Orange to be the depository of district funds and the county auditor is not designated as the district auditor, a listing of warrants issued by the district shall be submitted to the county auditor, upon his request, on the same day the warrants are issued. The form and content of the warrant listing shall be as prescribed by the board and approved by the county auditor.

SEC. 10. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section, nor shall there be an appropriation made by this act, because, (1) as this act pertains to the Orange County Transit District, it is in accordance with the request of that local government entity which desires legislative authority to act to carry out the program specified in this act and, (2) as this act pertains to the County of Orange, self-financing authority is provided in this act to cover such costs.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the Orange County Transit District may comply as soon as possible with the standardized accounting procedures mandated by the federal government so as to remain eligible for federal funds to provide public transportation in Orange County, it is necessary that this act take effect immediately.

CHAPTER 547

An act to add Section 21389 to the Government Code, relating to the Public Employee's Retirement System.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 21389 is added to the Government Code, to read:

21389. A contracting agency may elect to permit its employees who are local miscellaneous members and are not covered by the federal system to elect to be included in this article. The election by such members shall be filed in the manner prescribed by the board within 90 days after the date this section becomes applicable to such contracting agency and its employees.

A contracting agency may become subject to this section only by amendment of its contract during the 1977 calendar year.

CHAPTER 548

An act to add Section 31672.1 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 31672.1 is added to the Government Code, to read:

31672.1. Any employee who has reached the age of 55 years, has held a position in the county service for 10 years, and on the date of his retirement is employed in a temporary, seasonal, intermittent, or part-time position in which he has received credit for five full years of service, may be retired upon filing with the board a written application, setting forth the date upon which he desires his retirement to become effective which shall not be more than 60 days after the date of filing the application. The age of 55 in the preceding

sentence may be reduced to age 50 in any county by resolution of the board of supervisors if such reduction has also been made under Section 31672.

CHAPTER 549

An act to amend Section 69595 of the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 69595 of the Government Code is amended to read:

69595. In the County of San Diego there shall be 35 judges of the superior court.

SEC. 2. The sum of one hundred twenty thousand dollars ($120,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to this act.

CHAPTER 550

An act to amend Section 35541.5 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 35541.5 of the Health and Safety Code is amended to read:

35541.5. The Housing Authority of the City of Alameda need not demolish the temporary project in its jurisdiction commonly known as Makassar Straits Village until September 1, 1979. However, if the Makassar Straits Village Project is rehabilitated to meet applicable housing standards under Part 1.5 (commencing with Section 17910) of Division 13, such project need not be demolished, but may be continued in use beyond such date.

The Legislature finds and declares that Makassar Straits Village, located in the City of Alameda, County of Alameda, has been

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maintained as a reasonably safe and sanitary place in which to live.

The Legislature further finds and declares that the provisions of this section are intended to aid in relieving a critical shortage of low-rent housing for low-income civilian and military families and that the removal of Makassar Straits Village before such date would place an extreme hardship on these people. Additionally, an extension of time for the demolition of Makassar Straits Village is necessary to ensure the development and implementation of a relocation assistance advisory program for such persons.

This section shall not be construed to relieve any governmental agency of any existing duty under the present housing program.

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

(1) Extreme hardship would be placed upon low-income military and civilian families by demolition before other low-rent housing facilities are available.

(2) Lack of low-income housing available in the Alameda area.

(3) The trend of private housing to become even more expensive, putting additional burdens on low-income families in need of safe, decent and healthy housing in the area.

(4) Increased demand for housing has increased price of all housing in the area.

(5) Inability to relocate present tenants in the foreseeable future.

CHAPTER 551

An act to amend Section 13902 of, and to add Section 13915 to, the Government Code, relating to the State Board of Control.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 13902 of the Government Code is amended to read:

13902. If the third member is not a state officer acting ex officio, such member shall receive fifty dollars ($50) for every day of actual attendance at meetings of the board not in excess of eight meetings per month, together with necessary traveling expenses in attending such meetings.

SEC. 2. Section 13915 is added to the Government Code, to read:

13915. The board shall schedule its meetings for the purpose of receiving and acting upon claims so that the meetings are held in southern California at least once in every two consecutive calendar months. The board shall specify on each claim form the location and

approximate frequency of its meetings held for the purpose of receiving and acting upon claims. The claimant may designate on the form a preferred location where the board holds its meetings, and the board shall hear the claim at the location designated by the claimant.

CHAPTER 552

An act to amend Sections 4159, 12813, 13007, 14600, 14900, and 38060 of the Vehicle Code, relating to driver's licenses.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 4159 of the Vehicle Code is amended to read:

4159. Whenever any person after making application for the registration of a vehicle required to be registered under this code, or after obtaining registration either as owner or legal owner, moves or acquires a new address different from the address shown in the application or upon the certificate of ownership or registration card, such person shall, within 10 days thereafter, notify the department of his old and new address.

SEC. 2. Section 12813 of the Vehicle Code is amended to read:

12813. (a) The department upon issuing a driver's license or after issuance shall have authority whenever good cause appears to impose restrictions suitable to the licensee's driving ability with respect to the type of, or special mechanical control devices required on, a motor vehicle which the licensee may operate or such other restrictions applicable to the licensee as the department may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee.

(b) The department may issue either a special restricted license or may set forth the restrictions upon the usual license form.

SEC. 3. Section 13007 of the Vehicle Code is amended to read:

13007. Whenever any person after applying for or receiving an identification card acquires an address different from the address shown on the identification card issued to him, he shall within 10 days thereafter notify the department of his old and new address. The department may thereupon take such action as necessary to insure that the identification card reflects the proper address of the identification card holder.

SEC. 4. Section 14600 of the Vehicle Code is amended to read:

14600. (a) Whenever any person after applying for or receiving a driver's license moves, or acquires a new address different from the address shown in the application or in the license issued to him, he

shall within 10 days thereafter notify the department of his old and new address.

(b) The department may thereupon change the address as shown upon the license or application or, should the department for any reason fail to so change the address upon the license, then the licensee shall mark out the former address on the face of the license and type or write the new address in ink on the reverse side of the license with the date and signature of the licensee.

SEC. 5. Section 14900 of the Vehicle Code is amended to read:

14900. (a) Upon application for an original driver's license, or for the renewal of a driver's license or for a license to operate a higher class of vehicle, there shall be paid the department a fee of three dollars and twenty-five cents ($3.25). The payment of the fee shall entitle the person paying same to make application for a driver's license and to three examinations within a period of 12 months or during the period of an instruction permit issued from such application as provided in Section 12509.

The term "driver's license" as used in this section includes all licenses of every kind issued under Division 6 (commencing with Section 12500).

(b) Any person who, by reason of physical disabilities, is unable to move about as a pedestrian shall be exempt from the fee provided in this section, but only in the event the license issued to such a person restricts such person to the operation of a self-propelled wheelchair or invalid tricycle.

SEC. 6. Section 38060 of the Vehicle Code is amended to read:

38060. (a) Whenever any person after making application for identification of an off-highway motor vehicle subject to identification, or after the identification either as owner or legal owner, moves or acquires a new address different from the address shown in the application or upon the certificate of ownership or identification certificate, such person shall, within 10 days thereafter, notify the department of his old and new address.

(b) Any owner having notified the department as required in subdivision (a) of this section, shall immediately mark out the former address on the face of the certificate and write with pen and ink or type the new address on the face of the certificate immediately below the former address and initial the entry.

CHAPTER 553

An act to amend Section 1123.5 of the Probate Code, relating to probate.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 1123.5 of the Probate Code is amended to read:

1123.5. The court in which the administration is pending or, after final distribution, the court sitting in probate which has jurisdiction over a testamentary trust shall have power to remove a trustee of a testamentary trust, whether or not any property has been distributed to him, who has violated or is unfit to execute the trust or has acquired any interest or become charged with any duty adverse to the interest of any beneficiary in the subject of the trust. The court may remove one or all of the cotrustees of a testamentary trust and appoint new trustees where the court determines that hostility, ill feeling, or continued lack of cooperation among and between cotrustees has impaired the proper administration of the trust. The proceeding may be initiated by the court upon its own motion or by verified petition of a beneficiary of, or any other person interested in, the trust, including any person in being who shall or may participate in the corpus or income of the trust. The clerk shall set the matter for hearing and post notice in the manner prescribed by Section 1200. The trustee whose removal is sought shall be personally served with a copy of the motion or petition and with notice of the time and place of the hearing thereon, at least 10 days before the hearing, provided, that if such trustee is not a resident of this state, or has absconded or concealed himself from the state, the court may fix the manner of giving notice to him by mail, publication or otherwise, as the court may determine, and the court may proceed upon such notice as if the trustee had been personally served. In addition, the petitioner, or the court when acting upon its own motion, shall cause a copy of the petition or motion and of the notice of hearing to be mailed to the personal representative, if any part of the estate remains to be distributed to the trustee, and to each cotrustee and to the beneficiaries, including therein all persons in being who shall or may participate in the corpus or income of the trust, at their last known or other addresses, as provided in Section 1200, whether any of the persons to whom notice is to be given have requested special notice or given notice of appearance, or to be personally served upon such persons.

CHAPTER 554

An act to amend Sections 6005, 6006, and 6007 of the Food and Agricultural Code, relating to agriculture, and making an appropriation therefor.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

03139 288570 758

SECTION 1. Section 6005 of the Food and Agricultural Code is amended to read:

6005. Every grower of cotton in the state shall pay to the director a fee of one dollar ($1) for each bale of cotton ginned.

The fee is a maximum fee. Between February 1 and June 30 of each year, the Cotton Pest Control Board shall recommend to the director the amount of such fee, as it determines to be necessary to carry out the provisions of this article. The director may fix such fee at a less amount, when he finds that the cost of administering this article can be defrayed with such below-maximum fee. The amount of such fee shall be effective for the next fiscal year. The amount of the fee shall be paid to the director at the time the cotton is ginned. The amount so received by the director shall be paid into the Department of Agriculture Fund and shall be used for the control of pink bollworm or other related cotton pests.

The revenue from the fee shall be used to pay the cost of carrying out this article.

The director shall refund any fees which have not been expended by the termination date of this article.

The director is authorized to receive moneys from other sources for this program, which will be deposited into the Department of Agriculture Fund, and used to carry out the purposes of this article.

SEC. 2. Section 6006 of the Food and Agricultural Code is amended to read:

6006. The director shall appoint a Cotton Pest Control Board, consisting of 10 members, to assist and advise him on matters which pertain to the control of cotton pests.

The membership shall consist of at least one cottongrower from each of the major cotton-growing counties in the state, and one member who is not a cottongrower and who represents the public.

Any member of the board who misses two meetings of the board, without the permission of the board, is deemed to have resigned as a member of such board.

The board may meet in regular session each month. The chairman of the board or director may call any other meeting of the board at any time. Each member shall be allowed twenty-eight dollars ($28) per diem and mileage in accordance with the Board of Control rules for attending any meeting of the board.

The board shall annually review the effectiveness of the cotton pest control program.

SEC. 3. Section 6007 of the Food and Agricultural Code is amended to read:

6007. This article shall remain in effect only until July 1, 1981, and as of that date is repealed.

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CHAPTER 555

An act to amend Section 35786 of the Food and Agricultural Code, relating to milk.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 35786 of the Food and Agricultural Code is amended to read:

35786. Market goat milk may be standardized to a milk fat content of not less than 3.0 percent. Market goat milk at the time of delivery to the consumer shall contain not less than 8.15 percent of solids not fat.

CHAPTER 556

An act to amend Section 41522 of the Food and Agricultural Code, relating to olives.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 41522 of the Food and Agricultural Code is amended to read:

41522. In addition to any other marking or wording on the label, the label which covers the walls of a container of olives shall bear a statement of the net drained weight of the olives contained therein and, except for olives which are packed in clear glass, shall show a cut or imprint which represents the approximate size of the fruit.

CHAPTER 557

An act to amend Section 15002.1 of, to amend and renumber Section 15002.2 of, and to add Section 15002.2 to, the Education Code, relating to school building sites.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976]

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

03884 288640 772

SECTION 1. Section 15002.1 of the Education Code is amended to read:

15002.1. The governing board of a school district, prior to acquiring any site on which it proposes to construct any school building as defined in Section 15452 shall have the site, or sites, under consideration investigated by competent personnel to ensure that the final site selection is determined by an evaluation of all factors affecting the public interest and is not limited to selection on the basis of raw land cost only. If the prospective school site is located within the boundaries of any special studies zone or within an area designated as geologically hazardous in the seismic safety element of the local general plan as provided in subdivision (f) of Section 65302 of the Government Code, the investigation shall include such geological and soil engineering studies by competent personnel as are needed to provide an assessment of the nature of the site and potential for earthquake or other geologic hazard damage.

The geological and soil engineering studies of the site shall be of such a nature as will preclude siting of a school in any location where the geological and site characteristics are such that the construction effort required to make the school building safe for occupancy is economically unfeasible. No such studies need be made if the site or sites under consideration have been the subject of adequate prior studies. The evaluation shall also include location of the site with respect to population, transportation, water supply, waste disposal facilities, utilities, traffic hazards, surface drainage conditions, and other factors affecting the operating costs, as well as the initial costs, of the total project.

For the purposes of this article, a special studies zone is defined as one which is shown on any map, or maps, compiled by the State Geologist pursuant to the provisions of Chapter 7.5 (commencing with Section 2621) of Division 2 of the Public Resources Code. A copy of the report of each investigation conducted pursuant to this section shall be submitted to the Department of Education.

SEC. 2. Section 15002.2 is added to the Education Code, to read:

15002.2. Geological and soils engineering studies as described in Section 15002.1 shall be made, within the boundaries of any special studies zone, for the construction of any school building as defined in Section 15452 or, if the estimated cost exceeds ten thousand dollars ($10,000), the reconstruction or alteration of or addition to any such school building for work which alters structural elements. The Department of General Services may require similar geological and soils engineering studies for the construction or alteration of any school building on a site located outside of the boundaries of any special studies zone. No such studies need be made if the site under consideration has been the subject of adequate prior studies.

No school building shall be constructed, reconstructed, or relocated on the trace of a geological fault along which surface rupture can reasonably be expected to occur within the life of the school building.

A copy of the report of each investigation conducted pursuant to this section shall be submitted to the Department of General Services pursuant to Article 4 (commencing with Section 15451) of Chapter 2 of this division and to the Department of Education. The cost of geological and soil engineering studies and investigations conducted pursuant to this section may be treated as a capital expenditure.

SEC. 3. Section 15002.2 of the Education Code is amended and renumbered to read:

15002.3. The reconstruction of any school on all or a portion of a site which has been used for public school purposes uninterruptedly since prior to 1890 may be financed through the State School Building Aid and Earthquake Reconstruction and Replacement Bond Law of 1972 (Chapter 15.8 (commencing with Section 19946) of Division 14), if the legal title to such site or a portion thereof is held either by: (a) a city school district, or (b) a charter city, and a city school district has obtained or is in the process of obtaining a lease of not less than 50 years on such site or portion thereof from the charter city.

CHAPTER 558

An act to amend Section 31671.01 and Section 31671.6 of the Government Code, relating to County Employees Retirement Law of 1937.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 31671.01 of the Government Code is amended to read:

31671.01. This section shall apply to any county subject to the provisions of Section 31676.11, 31676.13, 31676.14, or 31676.15. On January 1, 1977, every member, who had attained age 65 shall be retired forthwith. Thereafter, every member shall be retired as of the first day of the calendar month next succeeding that in which he attains age 65.

This section shall not apply to any officer holding an elective office.

SEC. 2. Section 31671.6 of the Government Code is amended to read:

31671.6. In any county subject to the provisions of Section 31676.1, 31676.11, 31676.12, 31676.13, 31676.14, or 31676.15 every officer holding an elective office shall be retired at the end of the first term to which he is elected which commences on a date following his 70th birthday.

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CHAPTER 559

An act to amend Sections 1 and 2 of Chapter 1672 of the Statutes of 1967, relating to recreation and fish and wildlife enhancement associated with state water projects.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 1 of Chapter 1672 of the Statutes of 1967 is amended to read:

Section 1. The Legislature, pursuant to Section 11912 of the Water Code, approves the allocation by the Department of Water Resources of fifty million three hundred seventy-one thousand two hundred ten dollars ($50,371,210) to recreation and fish and wildlife enhancement as nonreimbursable joint costs of the State Water Project, as reported in Bulletin No. 132-76, Appendix D, "Costs of Recreation and Fish and Wildlife Enhancement," dated April 1976, in accordance with the following schedule:

Schedule:	
(a) For Frenchman Dam and Lake	$2,539,935
(b) For Antelope Dam and Lake	$5,079,095
(c) For Grizzly Valley Dam and Lake Davis	$4,891,770
(d) California Aqueduct, Delta to Dos Amigos Pumping Plant	$9,812,578
(e) Oroville Division Does not yet include an allocation to recreation and fish and wildlife enhancement in the Sacramento-San Joaquin Delta.	$10,976,522
(f) For Del Valle Dam and Lake Del Valle	$17,071,310
Total of schedule	$50,371,210

SEC. 2. Section 2 of Chapter 1672 of the Statutes of 1967 is amended to read:

Sec. 2. The Legislature, pursuant to Section 11912 of the Water Code, approves the expenditures of fifteen million three hundred eighty-two thousand eight hundred thirteen dollars ($15,382,813) for separate specific recreation land costs of the State Water Project as revised by the Department of Water Resources in said Bulletin No. 132-76, Appendix D, in association with the following facilities and in accordance with the following schedule:

Schedule:	
(a) Frenchman Dam and Lake	$53,460
(b) Grizzly Valley Dam and Lake Davis	$224,444
(c) Oroville Division	$2,815,583
(d) California Aqueduct	$2,211,220

(e) San Luis Dam and Reservoir and O'Neill Forebay	$655,708
(f) Del Valle Dam and Lake Del Valle	$673,415
(g) Castaic Dam and Lake	$2,832,744
(h) Cedar Springs Dam and Silverwood Lake	$968,958
(i) Perris Dam and Lake Perris	$4,937,351
(j) Abbey Bridge Dam and Reservoir	$9,930
Total of schedule	$15,382,813

CHAPTER 560

An act to amend Sections 13931, 14153, 14154, 14155, 14180 and 14185 of, to add Section 14152 to, and to repeal Sections 14151 and 14152 of, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 13931 of the Education Code is amended to read:

13931. Each member shall file a statement with the board, at the option of, and upon the form furnished by, the board, giving:

(a) His date of birth.

(b) All service previously performed by him in a position requiring membership in the system or its predecessors.

SEC. 2. Section 14151 of the Education Code is repealed.

SEC. 3. Section 14152 of the Education Code is repealed.

SEC. 4. Section 14152 is added to the Education Code, to read:

14152. If no beneficiary designation is in effect on the date of death, any benefit payable shall be paid to the survivors of the member in the following order:

(a) Surviving spouse.

(b) Issue or legally adopted offspring of the most recent marriage.

Payment shall be to the members of the group entitled, share and share alike. No payment shall be made to persons in any group if at the time of death there are living persons in any group preceding it.

If there is no effective beneficiary designation and there are no survivors entitled to the benefit under this section, the benefit shall be paid to the estate of the member.

Payment pursuant to the board's determination in good faith upon evidence satisfactory to it of the existence, identity or other facts relating to entitlement of persons under this section shall constitute a complete discharge of and release of the system from liability for the benefit.

SEC. 5. Section 14153 of the Education Code is amended to read:

14153. A member or retirant may at any time designate a beneficiary to receive such benefits as may be payable under this chapter. Any change of beneficiary from the statutory or designated beneficiary shall be in writing on a form prescribed by the system, executed by the member, witnessed by two witnesses, neither of whom may be beneficiaries or next of kin of the member, as listed in Section 14152. To be valid the instrument must be received in the office of the system before the member's death.

Such designation of beneficiary, other than a designation under options 2 and 3, may be revoked at the pleasure of the person making the nomination, and a different beneficiary designated in the same manner herein provided.

SEC. 6. Section 14154 of the Education Code is amended to read:

14154. A member's marriage, divorce, annulment of marriage or the termination of membership by refund constitutes a revocation of his previous designation of a beneficiary except as provided herein.

Any designation of beneficiary in effect on October 1, 1967, which was filed prior to the occurrence of any of the conditions specified herein is void.

After any revocation or voidance of a beneficiary designation, a member may designate the same or another beneficiary or beneficiaries in accordance with Section 14153.

A designation of beneficiary filed with the system after an interlocutory decree in a dissolution of marriage action has been issued by the court shall continue to be valid after filing of the final decree of the dissolution of marriage.

SEC. 7. Section 14155 of the Education Code is amended to read:

14155. If after designation of his child or children as a beneficiary, a married member, or retirant, has issue of his marriage and such child survives him, or is born after his death, such child shall receive an equal share with those children named as such beneficiaries unless he declares in a writing filed with the system that such child is intentionally excluded as a beneficiary. No other evidence to rebut the presumption of such revocation can be received.

SEC. 8. Section 14180 of the Education Code is amended to read:

14180. (a) Except as otherwise provided in Sections 14186, 14283, or 14284 payment pursuant to subdivision (b) of this section shall be made upon receipt of proof of a member's death which occurred:

(1) Before the effective date of his retirement and within four months after the termination of the member's employment in a position requiring membership in this system, or

(2) While the member was physically or mentally disabled for performance of his duty, if such disability had been continuous from such termination.

(b) There shall be paid to the beneficiary:

(1) The accumulated retirement contributions made after June 30, 1935.

(2) The accumulated annuity deposit contributions.

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(3) The accumulated tax-sheltered annuity contributions unless the withdrawal is made within five years of initial deposit of tax-sheltered contributions, in which case the refunded amount shall be without interest.

(4) The sum of two thousand dollars ($2,000), provided the member had at least one year of credited service.

SEC. 9. Section 14185 of the Education Code is amended to read:

14185. Upon receipt of proof of the death of a retirant there shall be paid to the beneficiary the sum of two thousand dollars ($2,000) except for any reduction of the death benefit made under Section 14060.

From the death benefit provided in this section, there shall be deducted an amount equal to the lump-sum death benefit payable on account of death by a local system or by the Public Employees' Retirement System or the University of California Retirement System. The deduction shall be made whether such benefit is payable before or after retirement under such local or state system.

CHAPTER 561

An act to add Section 23038.2 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 23038.2 is added to the Business and Professions Code, to read:

23038.2. Notwithstanding the provisions of Section 23038, for purposes of issuing an on-sale beer and wine license only, "bona fide public eating place" also means a ball park, stadium, or coliseum featuring professional sporting events which contains at least 40,000 seats and which maintains suitable kitchen facilities for the preparation of food which is offered for sale to persons attending such professional sporting events.

The Department of Alcoholic Beverage Control may prescribe specific types and sizes of beer and wine containers which may be sold pursuant to the provisions of this section.

CHAPTER 562

An act to amend Sections 12107.5, 12726, and 12796 of, to add Sections 12727.1, 12727.2, 12797.1, and 12797.2 to, to repeal Sections 12107.6 and 12736 of, and to repeal and add Sections 12727 and 12797 of, the Business and Professions Code, relating to weights and measures, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 12107.5 of the Business and Professions Code is amended to read:

12107.5. The department may establish a tare or tares for each of the several types of containers and pallets used in making deliveries of edible agricultural commodities to shippers, processors or other handlers and prescribe such tolerances as may be necessary for the proper protection of persons engaging in transactions wherein the computation of tares affects the purchase price.

Such tares shall be established in accordance with rules and regulations promulgated by the director. The director, and sealers under his supervision and direction, shall be the enforcing officers of this section.

The director may charge and collect fees for the establishment of such tares. All fees collected under the provisions of this section shall be paid into the State Treasury and credited to the Department of Food and Agriculture Fund to be expended by the department for the administration and enforcement of this section. The amount of such fees shall be based on the cost of administration and enforcement of this section.

Any person who deducts a tare for the containers or pallets herein specified shall keep a record of such deductions for one year, which record shall be subject to inspection by the director and any sealer.

When a container or pallet tare has been established by the director, it shall be unlawful to deduct a different tare for those containers or pallets. A violation of this section shall constitute a misdemeanor.

SEC. 2. Section 12107.6 of the Business and Professions Code is repealed.

SEC. 3. Section 12726 of the Business and Professions Code is amended to read:

12726. Except as otherwise provided in this chapter, the vehicle, container, or pallet for which the tare weight is being certified shall actually be weighed at the time of, and for the purpose of, each such certification.

SEC. 4. Section 12727 of the Business and Professions Code is repealed.

SEC. 5. Section 12727 is added to the Business and Professions Code, to read:

12727. Any weighmaster may use a tare weight for a vehicle, container, or pallet, which has been determined by a public weighmaster, for certification purposes. The owner or responsible party shall be legally responsible for maintaining the accuracy of such tare weight of the vehicle, container, or pallet within a variation prescribed by the director.

SEC. 6. Section 12727.1 is added to the Business and Professions Code, to read:

12727.1. Common tare weights may be determined by a public weighmaster for containers and pallets used for handling or transporting bulk commodities. The use of such common tare weights shall comply with the requirements of Section 12727 and such common tare weights shall be subject to verification by a representative sample.

SEC. 7. Section 12727.2 is added to the Business and Professions Code, to read:

12727.2. The director may establish regulations to accomplish the purposes of Section 12727 and Section 12727.1, including, but not limited to, the following:

(a) Determination, identification, marking, and certification of vehicle, container, and pallet tares.

(b) Procedures to be followed to verify the accuracy of common tares by means of representative sampling.

(c) The determination of a vehicle tare weight when the vehicle contains boxes, bins, or pallets.

(d) Authorization for the establishment and use of seasonal tare weights for fuel-consuming vehicles used in making bulk deliveries of edible agricultural commodities to shippers, processors, or other handlers.

SEC. 8. Section 12736 of the Business and Professions Code is repealed.

SEC. 9. Section 12796 of the Business and Professions Code is amended to read:

12796. Except as otherwise provided in this chapter, the vehicle, container, or pallet for which the tare weight is being certified shall actually be weighed at the time of, and for the purpose of, each such certification.

SEC. 10. Section 12797 of the Business and Professions Code is repealed.

SEC. 11. Section 12797 is added to the Business and Professions Code, to read:

12797. Any weighmaster may use a tare weight for a vehicle, container, or pallet, which has been determined by a public weighmaster, or a public weighmaster at large, for certification purposes. The owner or responsible party shall be legally responsible for maintaining the accuracy of such tare weight of the vehicle,

container, or pallet within a variation prescribed by the director.

SEC. 12. Section 12797.1 is added to the Business and Professions Code, to read:

12797.1. Common tare weights may be determined by a public weighmaster, or a public weighmaster at large, for containers and pallets used for handling or transporting bulk commodities. The use of such common tare weights shall comply with the requirements of Section 12797 and such common tare weights shall be subject to verification by a representative sample.

SEC. 13. Section 12797.2 is added to the Business and Professions Code, to read:

12797.2. The director may establish regulations to accomplish the purposes of Section 12797 and Section 12797.1, including, but not limited to, the following:

(a) Determination, identification, marking, and certification of vehicle, container, and pallet tares.

(b) Procedures to be followed to verify the accuracy of common tares by means of representative sampling.

(c) The determination of a vehicle tare weight when the vehicle contains boxes, bins, or pallets.

(d) Authorization for the establishment and use of seasonal tare weights for fuel-consuming vehicles used in making bulk deliveries of edible agricultural commodities to shippers, processors, or other handlers.

SEC. 14. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit the provisions of this act to become operative during the forthcoming agricultural harvest season, it is necessary that this act take effect immediately.

CHAPTER 563

An act to amend Section 18617.2 of the Financial Code, relating to industrial loan company advertising.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 18617.2 of the Financial Code is amended to read:

18617.2. An industrial loan company which issues thrift certificates shall not use any thrift advertisement which refers to the industrial loan company's ownership by, or affiliation with, any other entity unless the advertisement also discloses in as prominent a

manner and as large a type size as the referenced ownership, or affiliation was stated, whether or not the owner or affiliate so named guarantees thrift certificates issued by the industrial loan company.

CHAPTER 564

An act to amend Sections 90002 and 90004 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 90002 of the Government Code is amended to read:

90002. (a) Audits and investigations of all lobbyists shall be performed annually and shall cover all reports and statements filed since the previous audit and investigation.

(b) No audit or investigation of any candidate or committee in connection with a report or statement required by Chapter 4 of this title, other than a report or statement required by Section 84206, shall begin until after the last date for filing the first report or statement following the general or special election for the office for which the candidate ran, or following the election at which the measure was adopted or defeated. When the campaign statements of a candidate or a committee supporting a candidate are audited and investigated, the audit and investigation shall cover all campaign statements filed in connection with the primary and general or special elections and any previous campaign statement filed pursuant to Section 84206 since the last campaign statement filed in connection with an election.

(c) The Franchise Tax Board shall determine from its audit and investigation if there is probable cause to believe that any candidate, committee or proponent of a state measure has exceeded the limitations provisions of Chapter 5. Except for findings relating to candidates for and committees supporting or opposing candidates for the office of the Attorney General, any such finding shall be reported to the commission and the Attorney General. Findings related to candidates for and committees supporting or opposing candidates for the office of Attorney General shall be reported to the commission and the District Attorneys of Los Angeles, Sacramento and San Francisco Counties.

SEC. 2. Section 90004 of the Government Code is amended to read:

90004. The Franchise Tax Board shall periodically prepare reports which shall be sent to the commission and the Attorney General; unless the reports relate to candidates for or committees

supporting or opposing candidates for the office of Attorney General, in which case reports shall be sent to the commission and the District Attorneys of Los Angeles, Sacramento and San Francisco Counties. The reports of the Franchise Tax Board shall be public documents and shall contain in detail the Franchise Tax Board's findings with respect to the accuracy and completeness of each report and statement reviewed and its findings with respect to any report or statement that should have been but was not filed.

CHAPTER 565

An act to amend Section 74661 of the Government Code, relating to courts.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 74661 of the Government Code is amended to read:

74661. Each of the municipal court districts established in the County of Santa Clara shall have the number of judges set out below opposite the name of the judicial district over which such court has jurisdiction:

San Jose-Milpitas Judicial District	12
Santa Clara Judicial District	2
Los Gatos-Campbell-Saratoga Judicial District	1
Sunnyvale-Cupertino Judicial District	2
Palo Alto-Mountain View Judicial District	4

SEC. 2. Section 74661 of the Government Code is amended to read:

74661. Each of the municipal court districts established in the County of Santa Clara shall have the number of judges set out below opposite the name of the judicial district over which such court has jurisdiction:

San Jose-Milpitas Judicial District	12
Santa Clara Judicial District	2
Los Gatos-Campbell-Saratoga Judicial District	1
Sunnyvale-Cupertino Judicial District	2
Palo Alto-Mountain View Judicial District	4
Gilroy-Morgan Hill Judicial District	1

SEC. 3. It is the intent of the Legislature, if this bill and Assembly Bill No. 3266 are both chaptered and become effective January 1,

1977, both bills amend Section 74661 of the Government Code, and this bill is chaptered after Assembly Bill No. 3266, that the amendments to Section 74661 proposed by both bills be given effect and incorporated in Section 74661 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Assembly Bill No. 3266 are both chaptered and become effective January 1, 1977, both amend Section 74661, and this bill is chaptered after Assembly Bill No. 3266, in which case Section 1 of this act shall not become operative.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 566

An act to amend Section 69590 of the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 69590 of the Government Code is amended to read:

69590. In the County of Monterey there shall be seven judges of the superior court.

SEC. 2. The sum of one hundred twenty thousand dollars ($120,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to Section 1 of this act.

CHAPTER 567

An act to add Section 442.1 to the Streets and Highways Code, relating to highways.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 442.1 is added to the Streets and Highways Code, to read:

442.1. Notwithstanding Section 263.7, the state scenic highway system shall include that portion of Route 142 from the Orange-San Bernardino county line to Peyton Drive.

CHAPTER 568

An act to amend Sections 3005.7 and 4854 of the Fish and Game Code, and to amend Section 4 of Chapter 1592 of the Statutes of 1971, relating to mountain lions.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 3005.7 of the Fish and Game Code is amended to read:

3005.7. It is unlawful to capture any mountain lion or to possess or confine any live mountain lion taken from the wild, except as provided by this code or regulations made pursuant thereto. Any mountain lion possessed or confined in violation of this section shall be seized by the department.

The commission may promulgate regulations permitting the temporary confinement of mountain lions for the purpose of treating them, if injured or diseased.

This section shall remain in effect only until January 1, 1978, and as of that date is repealed.

SEC. 2. Section 4854 of the Fish and Game Code is amended to read:

4854. This chapter shall remain in effect only until January 1, 1978, and as of that date is repealed. Section 4189 and Chapter 10 (commencing with Section 4800) of Part 2 of Division 4 shall be inoperative until such date.

SEC. 3. Section 4 of Chapter 1592 of the Statutes of 1971 is amended to read:

Sec. 4. The Department of Fish and Game shall conduct a continuous special study of the mountain lion population to ascertain the quantity of mountain lions in the state and to determine the best methods of providing sound management of this resource. Such study shall conclude on or before January 1, 1978. The department shall annually report the results and progress of such study to the Legislature on or before the first day of January.

CHAPTER 569

An act relating to state lands.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. The Director of General Services, with the consent of the State Department of Health, may let to the County of Napa, for the purpose of developing and maintaining a public park and also for the purpose of providing recreational opportunities to the patients and their families at Napa State Hospital, for a period not to exceed 50 years, real property containing approximately 937 or less acres and being a portion of Napa State Hospital at Napa, California. The lease authorized by this section shall be nonassignable and shall be subject to periodic review on and after the fifth anniversary of the lease. Such review shall be made by the Director of General Services who shall ascertain whether the original purposes of the lease are being carried out.

SEC. 2. The lease authorized by Section 1 of this act shall be subject to the following conditions:

(a) That the county has submitted a general development plan for the property which conforms to the county's general plan pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Title 7 of the Government Code, and which general development plan has been approved by the Director of Parks and Recreation.

(b) That the land be developed according to such plan within a time period determined by the Director of General Services but not to exceed 10 years.

(c) That the Director of General Services shall except and reserve in the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine and remove such deposits. Such rights to prospect for, mine and remove shall be limited to those areas of the property conveyed which the director determines to be reasonably necessary for the removal of such resources and deposits.

CHAPTER 570

An act to amend Section 69614 of the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 69614 of the Government Code is amended to read:

69614. In the County of Santa Cruz there shall be four judges of the superior court.

SEC. 2. The sum of sixty thousand dollars ($60,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to Santa Cruz County pursuant to Section 2231 of the Revenue and Taxation Code to reimburse the county for costs incurred by it pursuant to this act.

CHAPTER 571

An act to amend Section 11850 of the Public Utilities Code, relating to municipal utility districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 11850 of the Public Utilities Code is amended to read:

11850. (a) Notwithstanding any other provision of this chapter, in any district formed prior to January 1, 1974, and containing a population of 1,000,000 or more on such date, the number of directors on the district board shall be increased from five to seven as provided in this article.

(b) In any district to which subdivision (a) is applicable and in any district which has owned and operated an electric distribution system for at least eight years and which has a population of 250,000 or more, candidates for the office of director shall be elected by the voters of the ward each represents and shall not be voted upon at large. In any such district nomination papers and in-lieu filing fee petitions may be circulated only within the ward from which the candidate is to be elected, and shall be signed either by 1 percent of the voters within the ward or by 100 voters whichever is the lesser number but in no event by more than 200 voters within the ward.

SEC. 2. The amendment of Section 11850 of the Public Utilities Code by Chapter 817, Statutes of 1975, shall not affect the term of office of district directors elected prior to the effective date of such amendment, but the nomination and election of directors after such effective date, including the two additional directors shall be in accordance with the provisions of Section 11850 of the Public Utilities Code, as amended by Chapter 817, Statutes of 1975.

SEC. 3. The amendment of Section 11850 of the Public Utilities Code enacted pursuant to Section 1 of this act shall not affect the

term of office of district directors elected prior to the effective date of such amendment, but the nomination and election of directors after such effective date shall be in accordance with the provisions of Section 11850 of the Public Utilities Code, as amended by Section 1 of this act; provided, that at the November 1976 election of district directors, nomination papers and in-lieu filing fee petitions may be circulated throughout the entire district.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to apply to the 1976 general election, it is necessary that this act take effect immediately.

CHAPTER 572

An act to amend Sections 15155, 15251, 15253, and 15254 of, to amend and renumber the heading of Chapter 3 (commencing with Section 15300) of Part 6.5 of Division 3 of Title 2 and Section 15300 of, and to repeal Section 14930 and Chapter 2 (commencing with Section 15275) of Part 6.5 of Division 3 of Title 2 of, the Government Code, relating to state communications.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 14930 of the Government Code is repealed.

SEC. 2. Section 15155 of the Government Code is amended to read:

15155. The committee shall consist of representation of the following organizations:

(1) Two representatives from the Peace Officers' Association of the State of California.

(2) One representative from the California State Sheriffs' Association.

(3) One representative from the League of California Cities.

(4) One representative from the County Supervisors Association of California.

(5) One representative from the Department of Justice.

(6) One representative from the Department of Motor Vehicles.

(7) One representative from the Department of General Services.

(8) One representative from the California Highway Patrol.

SEC. 3. Section 15251 of the Government Code is amended to read:

15251. As used in this part, "department" means Department of General Services.

SEC. 4. Section 15253 of the Government Code is amended to read:

15253. This part shall apply only to those communications facilities which are owned and operated by public agencies in connection with official business of law enforcement services, fire services, natural resources services, agricultural services, and highway maintenance and control of the state or of cities, counties, and other political subdivisions in this state. This part shall not be construed as conferring upon the Department of General Services control of programs or broadcasts intended for the general public.

SEC. 5. Section 15254 of the Government Code is amended to read:

15254. Radio and other communications facilities owned or operated by the state and subject to the jurisdiction of the Department of General Services shall not be used for political, sectarian, or propaganda purposes. Such facilities shall not be used for the purpose of broadcasts intended for the general public, except for fire, flood, frost, storm, catastrophe, and such other warnings and information for the protection of the public safety as the department may prescribe.

SEC. 6. Chapter 2 (commencing with Section 15275) of Part 6.5 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 7. The heading of Chapter 3 (commencing with Section 15300) of Part 6.5 of Division 3 of Title 2 of the Government Code is amended and renumbered to read:

CHAPTER 2. DUTIES AND POWERS

SEC. 8. Section 15300 of the Government Code is amended and renumbered to read:

15275. The Department of General Services may:

(a) Provide adequate representation of local and state governmental bodies and agencies before the Federal Communications Commission in matters affecting the state and its cities, counties, and other public agencies.

(b) Provide, upon request, adequate advice to state and local agencies in the state concerning existing or proposed communications facilities between any and all of the following: cities, counties, other political subdivisions of the state, state departments, agencies, boards, and commissions, and departments, agencies, boards, and commissions of other states and federal agencies.

(c) Recommend to the appropriate state and local agencies such rules, regulations, procedures, and methods of operation as it deems

necessary to effectuate the most efficient and economical use of publicly owned and operated communications facilities within this state.

(d) Provide, upon request, information and data concerning the communications facilities which are owned and operated by public agencies in connection with official business of public safety services.

(e) Carry out the policy of this part.

CHAPTER 573

An act to add Section 7801 to the Government Code, relating to letters and correspondence, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 7801 is added to the Government Code, to read:

7801. In addition to the requirements of Section 7800, the letterhead or other prominent location on official stationery of each state agency, and county, city, including, but not limited to, a chartered city, and each school district, municipal corporation, district, political subdivision, and board, commission, and agency thereof, and every other local public agency, used in communication with the public shall include, in addition to the telephone number of the agency, the address and telephone number, if different from the telephone number of the agency otherwise required to appear thereon, to which inquiry regarding the subject matter of the specific communication may be made. The address and telephone number may be typed or handwritten on the letterhead or other prominent location.

SEC. 2. The Legislature hereby finds and declares that the necessity for citizens of this state to avail themselves of contact with local agencies, including, but not limited to chartered cities, by telephone regardless of whether the citizen is a resident of a particular agency's jurisdiction is a matter of statewide concern necessitating statewide legislation requiring that the letterhead or other prominent location on official stationery of local agencies include the telephone number of such entity. The fuel crisis and the increasing unavailability of transportation to many segments of society, plus the interdependence among local agencies for the provision of governmental services to citizens regardless of the place of residence of the citizen, further necessitate such legislation.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this

section nor shall there be any appropriation made pursuant to this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

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

The increasing unavailability of transportation for senior citizens and other segments of society, and the impending fuel crisis, necessitate greater utilization of telephone facilities by such persons in normal contact with governmental agencies. In order to assist such persons in contacting such agencies by phone at the earliest feasible time, it is necessary that this act take effect immediately.

CHAPTER 574

An act to amend Section 511.5 of the Military and Veterans Code, relating to the California Cadet Corps.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 511.5 of the Military and Veterans Code is amended to read:

511.5. The Adjutant General, under such rules and regulations as he may adopt, may purchase and furnish the members of the California Cadet Corps uniforms including caps, helmets, liners, shirts, trousers, belts, jackets, skirts, blouses, ties and leggings.

The Adjutant General, with the approval of the Department of Finance, may annually determine the uniform value per cadet.

CHAPTER 575

An act to repeal Chapter 1762 of the Statutes of the 1971 Regular Session of the Legislature, relating to reports by the Department of Finance on taxation.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Chapter 1762 of the Statutes of the 1971 Regular Session of the Legislature is repealed.

SEC. 2. In each odd-numbered year, the Department of Finance shall prepare, as a part of the Governor's Budget, a report describing the deductions, credits, exclusions, exemptions, and preferential tax rates (hereinafter referred to as "tax expenditures") contained in California's state tax structure and in the property tax. The report shall indicate the amount of reduction in revenue resulting from the operation of all such tax expenditures.

SEC. 3. The Department of Finance may request from any state or local agency any information necessary to complete the report required by Section 2. All state and local agencies shall cooperate with the department with respect to any such request.

SEC. 4. In each report, the Department of Finance shall examine one or more taxes in depth and shall make recommendations relating to the elimination, in whole or in part, of particular tax expenditures or to the limiting of the duration of particular tax expenditures to a fixed number of years. The department shall also prepare legislation, if required, to implement such recommendations and present it to the chairman of the revenue and taxation committee in each house of the Legislature.

SEC. 5. The report required by this chapter shall be contained in the Governor's Budget for the 1977–78 fiscal year and for each fiscal year beginning in an odd-numbered year thereafter.

CHAPTER 576

An act to amend Section 69600 of the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 69600 of the Government Code is amended to read:

69600. In the County of Santa Clara there shall be 29 judges of the superior court.

SEC. 2. The sum of one hundred eighty thousand dollars ($180,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to Santa Clara County pursuant to Section 2231 of the Revenue and Taxation Code to reimburse the county for costs incurred by it pursuant to this act.

41731 289575 887

CHAPTER 577

An act to amend Section 69583 of the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 69583 of the Government Code is amended to read:

69583. In the County of Fresno there shall be 10 judges of the superior court.

SEC. 2. The sum of one hundred twenty thousand dollars ($120,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to Fresno County pursuant to Section 2231 of the Revenue and Taxation Code to reimburse the county for costs incurred by it pursuant to this act

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CHAPTER 578

An act to amend Section 4905 of the Business and Professions Code, relating to veterinary fees.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 4905 of the Business and Professions Code is amended to read:

4905. The following fees shall be collected by the board and the same shall be credited to the Board of Examiners in Veterinary Medicine Contingent Fund:

(a) The fee for filing an application for examination shall be fixed by the board in such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed ninety dollars ($90) for the practical examination, and at not more ninety dollars ($90) for the written examination.

(b) The initial license fee is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the license is issued, except that, if the license is issued less than one year before the date on which it will expire, then the fee is an amount equal to fifty percent (50%) of the renewal fee in effect on the last regular renewal date before the date on which the license is issued. The board may, by appropriate regulation, provide for the waiver or refund of the initial license fee where the license is issued less than 45 days before the date on which it will expire.

(c) The renewal fee shall be fixed by the board for each biennial renewal period in such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed one hundred dollars ($100).

(d) The delinquency fee shall not exceed twenty-five dollars ($25).

(e) The fee for issuance of a duplicate license is ten dollars ($10).

(f) The board may make a charge for records, transcripts, and other official documents pertaining to the affairs of the board.

(g) The fee for failure to report a change in the place of practice is fifteen dollars ($15).

(h) The fee for registration of veterinary premises is fifty dollars ($50), but the board may reduce the fee to such amount as it determines is reasonably necessary to provide sufficient funds to carry out the purposes of this chapter.

CHAPTER 579

An act to add Section 18031.1 to, and to add Article 5 (commencing with Section 15460) to Chapter 4 of Part 9 of Division 2 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Article 5 (commencing with Section 15460) is added to Chapter 4 of Part 9 of Division 2 of the Revenue and Taxation Code, to read:

Article 5. Political Organizations' Exemption

15460. Property transferred to a political organization, as defined in Section 23701r, is exempt from the tax imposed by this part.

SEC. 2. Section 18031.1 is added to the Revenue and Taxation Code, to read:

18031.1. (a) If—

(1) Any person transfers property to a political organization, and

(2) The fair market value of such property exceeds its adjusted basis, then for purposes of this part the transferor shall be treated as having sold such property to the political organization on the date of the transfer, and the transferor shall be treated as having realized an amount equal to the fair market value of such property on such date.

(b) In the case of a transfer of property to a political organization to which subdivision (a) applies, the basis of such property in the hands of the political organization shall be the same as it would be

in the hands of the transferor, increased by the amount of gain recognized to the transferor by reason of such transfer.

(c) For purposes of this section, the term "political organization" has the meaning given to such term by Section 23701r.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall, accordingly, go into immediate effect. It shall become operative, however, only with respect to transfers of property made on or after January 1, 1977.

CHAPTER 580

An act to add Section 5641.5 to the Business and Professions Code, relating to landscape architecture.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 5641.5 is added to the Business and Professions Code, to read:

5641.5. (a) Nothing contained in this chapter shall be deemed to prohibit a person from engaging in the practice of, or offering to practice as, a golf course architect.

(b) As used in this section, "golf course architect" means a person who performs professional services such as consultation, investigation, reconnaissance, research, design, preparation of drawings and specifications and responsible supervision, where the dominant purpose of such service is the design of a golf course, in accordance with accepted professional standards of public health and safety.

CHAPTER 581

An act to amend Section 1005.1 of, and to add Section 1005.4 to, the Water Code, relating to ground water use.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 1005.1 of the Water Code is amended to read:

1005.1. Cessation of or reduction in the extraction of ground water by the owner of a right to extract, as the result of the use of an alternate supply of water from a nontributary source, shall be and

is deemed equivalent to, and for purposes of establishing and maintaining any right to extract the ground water shall be construed to constitute, a reasonable beneficial use of the ground water to the extent and in the amount that water from the alternate source is applied to reasonable beneficial use, not exceeding, however, the amount of such reduction. Any such user of water from an alternate nontributary source who seeks the benefit of this section, shall file with the board, on or before December 31st of each calendar year, a statement of the amount of water from such source so applied to reasonable beneficial use pursuant to the provisions of this section during the next preceding water year (November 1st to October 31st), and such user cannot claim the benefit of this section for any water year for which such statement is not so filed.

"Ground water," for the purpose of this section and of Sections 1005.2 and 1005.4, means water beneath the surface of the ground, whether or not flowing through known and definite channels.

The term "nontributary source," as used in this section, shall be deemed to include water imported from another watershed, or water conserved and saved in the watershed by a water conservation plan or works without which such water of the same watershed would have wasted, or would not have reached the underground source of supply of the owner relying upon this section.

SEC. 2. Section 1005.4 is added to the Water Code, to read:

1005.4. Cessation of or reduction in the extraction of ground water, to permit the replenishment of such ground water by the use of water from an alternate nontributary source, is hereby declared to be a reasonable beneficial use of the ground water to the extent and in the amount that water from such alternate source is applied to beneficial use, not exceeding, however, the amount of such reduction. No lapse, reduction or loss of any right in ground water, shall occur under such conditions. Any such user of water from an alternate source who seeks the benefit of this section with respect to the use of such water occurring prior to January 1, 1977, shall file with the board, on or before April 1, 1977, a statement of the amounts of reduction in the extraction of ground water as the result of water from such alternate source having been so applied to reasonable beneficial use prior to January 1, 1977, to permit the replenishment of such ground water and said amounts shall be segregated and shown for each water year (November 1st to October 31st) during which such use occurred prior to January 1, 1977. Any such user of water from an alternate source who seeks the benefit of this Section 1005.4 with respect to the use of such water occurring subsequent to January 1, 1977, shall file with the board, on or before December 31st of each calendar year, a statement of the amount of reduction in the extraction of ground water as the result of water from the alternate source having been so applied to reasonable beneficial use during the next preceding water year (November 1st to October 31st) to permit the replenishment of such ground water. Such user cannot claim the benefit of this section for any water year for which such statement

is not so filed.

The provisions of this section apply only as to the cessation of, or reduction in, the extraction of ground water within that area in this state defined by the exterior boundaries of every county, except the Counties of San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, San Diego, Imperial, Riverside, and San Bernardino.

The term "nontributary source" as used in this section shall be deemed to include water imported from another watershed or water conserved and saved in the watershed by a water conservation plan or works without which such water of the same watershed would have wasted, or would not have reached the underground source of supply of the owner relying upon this section.

CHAPTER 582

An act to amend Sections 1501 and 1502 of the Code of Civil Procedure, relating to unclaimed property, and making an appropriation therefor.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 1501 of the Code of Civil Procedure is amended to read:

1501. As used in this chapter, unless the context otherwise requires:

(a) "Apparent owner" means the person who appears from the records of the holder to be entitled to property held by the holder.

(b) "Banking organization" means any national or state bank, trust company, banking company, land bank, savings bank, safe deposit company, private banker, or any similar organization.

(c) "Business association" means any private corporation, joint stock company, business trust, partnership, or any association for business purposes of two or more individuals, whether or not for profit, including, but not by way of limitation, a banking organization, financial organization, life insurance corporation, and utility.

(d) "Financial organization" means any federal or state savings and loan association, building and loan association, credit union, investment company, or any similar organization.

(e) "Government or governmental subdivision or agency" does not include the United States government or any officer, department, or agency thereof.

(f) "Holder" means any person in possession of property subject to this chapter belonging to another, or who is trustee in case of a trust, or is indebted to another on an obligation subject to this chapter.

(g) "Life insurance corporation" means any association or corporation transacting the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments and annuities.

(h) "Owner" means a depositor in case of a deposit, a beneficiary in case of a trust, or creditor, claimant, or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this chapter, or his legal representative.

(i) "Person" means any individual, business association, government or governmental subdivision or agency, two or more persons having a joint or common interest, or any other legal or commercial entity, whether such person is acting in his own right or in a representative or fiduciary capacity.

(j) "Employee benefit trust distribution" means any money, life insurance, endowment or annuity policy or proceeds thereof, securities or other intangible property, and any tangible property, distributable to a participant, former participant, or the beneficiary or estate or heirs of a participant or former participant or beneficiary, from a trust or custodial fund established under a plan to provide health and welfare, pension, vacation, severance, retirement benefit, death benefit, stock purchase, vacation, profit sharing, employee savings, supplemental unemployment insurance benefits or similar benefits.

SEC. 2. Section 1502 of the Code of Civil Procedure is amended to read:

1502. (a) This chapter does not apply to:

(1) Any property in the official custody of a municipal utility district.

(2) Any property in the official custody of a local agency if such property may be transferred to the general fund of such agency under the provisions of Sections 50050–50053 of the Government Code.

(3) Any instrument issued in a foreign country.

(4) Any funds held only in a foreign country.

(b) None of the provisions of this chapter applies to any type of property received by the state under the provisions of Chapter 1 (commencing with Section 1300) to Chapter 6 (commencing with Section 1440), inclusive, of this title.

CHAPTER 583

An act to add Section 31014 to the Water Code, relating to the Juniper-Riviera County Water District.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 31014 is added to the Water Code, to read:

31014. Subject to the consent of the governing body of the county or city having jurisdiction over the highway or street, the Juniper-Riviera County Water District may open, widen, extend, straighten, surface, or otherwise improve and maintain, in whole or in part, that highway or street, as the case may be, in such district.

This special provision is necessary because of special circumstances in the area served by the Juniper-Riviera County Water District. This area is located in a sparsely populated desert area, and the people of the county have an urgent and immediate need for improved and maintained roads within the boundaries of this county water district. The people of the county would be substantially benefited by having road improvement and maintenance provided by the existing district instead of by the formation of other and additional districts. It is, therefore, hereby declared that a general law cannot be made applicable and that this enactment is necessary for the solution of problems within the Juniper-Riviera County Water District.

CHAPTER 584

An act to amend Section 36005 of the Vehicle Code, relating to vehicles, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 36005 of the Vehicle Code is amended to read:

36005. Implement of husbandry includes, but is not limited to:

(a) A lift-carrier or other vehicle designed and used exclusively for the lifting and carrying of implements of husbandry or tools used exclusively for the production or harvesting of agricultural products, when operated or moved upon a highway.

(b) A trailer of the tip-bed type when used exclusively in the transportation of other implements of husbandry or tools used exclusively for the production or harvesting of agricultural products.

(c) A one-axle trailer of the tip-bed type when used exclusively in the transportation of other implements of husbandry or tools used exclusively for the production or harvesting of agricultural products.

(d) A two-wheeled trailer having no bed, and designed and used solely for transporting a hay loader.

(e) A spray or fertilizer applicator rig designed and used exclusively for spraying or fertilizing in the conduct of agricultural operations.

(f) A nurse rig or equipment auxiliary to the use of and designed or modified for the fueling, repairing, or loading of a spray rig or an airplane used for the dusting, spraying, fertilizing, or seeding of crops.

(g) A row duster.

(h) A wagon or van used exclusively for carrying products of farming from one part of a farm to another part thereof, or from one farm to another farm, and used solely for agricultural purposes, including any van used in harvesting alfalfa or cotton, which is only incidentally operated or moved on a highway as a trailer.

(i) A wagon or portable house on wheels used solely by shepherds as a permanent residence in connection with sheepraising operations and moved from one part of a ranch to another part thereof or from one ranch to another ranch, which is only incidentally operated or moved on a highway as a trailer.

(j) A trap wagon moved from one part of a ranch to another part of the same ranch or from one ranch to another, which is only incidentally operated or moved on a highway.

(k) Any vehicle which is operated upon a highway only for the purpose of transporting agricultural products and is in no event operated along a highway for a total distance greater than one mile from the point of origin of the trip.

(*l*) A portable honey-extracting trailer or semitrailer.

(m) A non-self-propelled fertilizer nurse tank or trailer moved unladen on the highway and auxiliary to the use of a spray or fertilizer applicator rig.

(n) Any cotton trailer when used on the highways for the exclusive purpose of transporting cotton from a farm to a cotton gin, and returning the empty trailer to such farm, except that Section 36125 shall apply to such trailers.

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

This bill affects vehicles which will be used during the coming harvest season. In order that it may achieve its maximum intended results, it is necessary that it become effective immediately so that it will apply to such harvest season.

CHAPTER 585

An act to add Section 11776.5 to the Government Code, relating to the Stephen P. Teale Consolidated Data Center, and making an appropriation therefor.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 11776.5 is added to the Government Code, to read:

11776.5. There is hereby created in the State Treasury, the Stephen P. Teale Consolidated Data Center Revolving Fund, hereafter referred to as "TDC Fund", which fund is continuously appropriated for the purposes of this act, and such fund shall be continuously utilized without regard to fiscal years for the payment of expenses incurred by the Stephen P. Teale Consolidated Data Center.

The TDC Fund shall consist of the following:

(a) All moneys appropriated by the Legislature for such fund in accordance with law.

(b) All moneys received into the Treasury from any source whatever in payment of electronic data-processing services rendered by the Stephen P. Teale Consolidated Data Center or for other services rendered by the Stephen P. Teale Consolidated Data Center.

(c) All moneys from outstanding balances of prior fiscal years which have not reverted to the General Fund.

(d) The balance remaining in the TDC Fund at the end of any fiscal year whether the moneys received are from an appropriation or from payments for services rendered.

If the balance remaining in the TDC Fund at the end of any fiscal year exceeds two million dollars ($2,000,000), the billing rates for services rendered shall be adjusted downward for the following fiscal year.

CHAPTER 586

An act to add Section 2271.15 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature August 23, 1976. Filed with Secretary of State August 23, 1976.]

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

SECTION 1. Section 2271.15 is added to the Revenue and Taxation Code, to read:

2271.15. Notwithstanding the provisions of Section 2271.1, an additional levy made prior to January 1, 1976, pursuant to the provisions of Section 2271 to pay costs mandated by the 1974 amendments to the Fair Labor Standards Act, or regulations issued

pursuant thereto, shall not be invalidated and may continue to be made to meet recurring costs resulting from any program or activity undertaken or implemented by a local agency in order to comply with such amendments or regulations, notwithstanding the repeal, stay or invalidation of such amendments or regulations, if the repeal, stay or invalidation of such amendments or regulations occurs or occurred after the local agency has made such additional levy or has incurred continuing obligations in order to implement the mandated program or activity.

SEC. 2. Notwithstanding Sections 54902, 54902.1, and 54903 of the Government Code, any creation of a park and recreation district during the 1975–76 fiscal year before the effective date of this section shall be effective for assessment and taxation purposes for the 1976–77 fiscal year if the required statements and maps or plat are filed on or before April 30, 1976.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Existing laws authorize counties, cities, and districts to levy taxes over and above their maximum tax rates to meet costs mandated by the courts or the federal government, but such authorization terminates if the curtailment of the mandate is upheld by a final court order. In reliance on this authority many counties, cities, and districts have levied such additional or override taxes and have established programs and incurred continuing obligations in order to pay costs mandated by the 1974 amendments to the Fair Labor Standards Act. This act is necessary as an urgency measure to enable counties, cities and districts to continue levying and using moneys derived from override taxes to meet continuing obligations incurred to implement programs mandated by the 1974 amendments to the Fair Labor Standards Act the validity of which is presently being challenged in the United States Supreme Court.

CHAPTER 587

An act to add Section 13468.4 to the Education Code, relating to school certificated employees.

[Became law without Governor's signature August 25, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 13468.4 is added to the Education Code, to read:

13468.4. The governing board of a school district may adopt rules permitting certificated employees of the district to use leave earned

pursuant to Section 13468 in cases of compelling personal importance.

Leave taken pursuant to this section, together with any leave taken pursuant to Section 13468.5, shall not exceed six days in any single school year.

CHAPTER 588

An act to add Section 4606 to the Civil Code, relating to child custody proceedings.

[Became law without Governor's signature August 25, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 4606 is added to the Civil Code, to read:

4606. In any proceeding under this part where there is in issue the custody of a minor child, the court may, if it finds it would be in the best interests of the minor child, appoint private counsel to represent the interests of the minor child. When the court appoints counsel to represent the minor, counsel shall receive a reasonable sum for compensation and expenses, the amount of which shall be determined by the court. Such amount shall be paid by the parents in such proportions as the court deems just.

CHAPTER 589

An act to amend Sections 74920.5, 74921.5, 74921.6, 74922, 74922.5, 74923.5, 74923.6, 74924, 74924.5, and 74925.5 of, to add Section 74923 to, and to repeal Section 74923 of, the Government Code, relating to municipal courts.

[Became law without Governor's signature August 25, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 74920.5 of the Government Code is amended to read:

74920.5. On order of the board of supervisors, sessions and services of the municipal court for the Tulare-Pixley Judicial District shall be held within the territory embraced by the Pixley Judicial District as it existed on December 31, 1974.

SEC. 2. Section 74921.5 of the Government Code is amended to read:

74921.5. In the Porterville Judicial District there shall be one

clerk who shall also act as administrator and secretary of the court and who shall receive a salary in accordance with Sections 74923 and 74924. The clerk may appoint one assistant clerk of the municipal court, one court clerk III, one senior clerk-typist, and five intermediate clerk-typists, each of whom shall receive a salary in accordance with Sections 74923 and 74924.

SEC. 3. Section 74921.6 of the Government Code is amended to read:

74921.6. In the Tulare-Pixley Judicial District there shall be one clerk who shall act as administrator and secretary of the court and who shall receive a salary in accordance with Sections 74923 and 74924. The clerk may appoint one assistant clerk of the municipal court, one court clerk III, one senior clerk-typist, and five intermediate clerk-typists, each of whom shall receive a salary in accordance with Sections 74923 and 74924.

SEC. 4. Section 74922 of the Government Code is amended to read:

74922. In the Visalia Judicial District there shall be one clerk who shall also act as administrator and secretary of the court and who shall receive a salary in accordance with Sections 74923 and 74924. The clerk may appoint one assistant clerk of the municipal court, two court clerks III, two senior clerk-typists and nine intermediate clerk-typists, each of whom shall receive a salary in accordance with Sections 74923 and 74924.

SEC. 5. Section 74922.5 of the Government Code is amended to read:

74922.5. There shall be one marshal for each municipal court who shall receive a biweekly salary of five hundred ninety dollars and thirty-two cents ($590.32). Each marshal may appoint one deputy marshal and one intermediate clerk-typist, each of whom shall receive a salary in accordance with Sections 74923 and 74924.

SEC. 6. Section 74923 of the Government Code is repealed.

SEC. 7. Section 74923 is added to the Government Code, to read:

74923. The biweekly salaries for the following classes of positions shall be eighty (80) times the hourly rate set forth in the following schedule:

		Hourly rate				
	Range	A	B	C	D	E
Clerk of the municipal court	108	5.765	6.056	6.363	6.685	7.023
Assistant clerk of the municipal court	86	4.642	4.876	5.122	5.381	5.652
Court clerk III	76	4.207	4.419	4.642	4.876	5.122
Senior clerk-typist	51	3.292	3.457	3.630	3.813	4.005
Intermediate clerk-typist	42	3.014	3.166	3.324	3.491	3.666
Deputy marshal	89	4.781	5.022	5.276	5.542	5.822

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SEC. 8. Section 74923.5 of the Government Code is amended to read:

74923.5. In the event that the judge of the superseded Porterville Justice Court does not or cannot succeed to any judgeship which may become available and elects to become clerk in accordance with Section 71085 he shall receive a biweekly salary of six hundred twenty dollars and twenty-four cents ($620.24), rather than the salary specified in Section 74923. Notwithstanding the provisions of Section 72400, the judge of the superseded Porterville Justice Court, while holding such office as clerk, may serve as traffic referee on appointment by the presiding judge of any municipal court in Tulare County, without additional compensation, but with reimbursement for mileage and travel expenses.

SEC. 9. Section 74923.6 of the Government Code is amended to read:

74923.6. In the event that the judge of the superseded Pixley Justice Court does not or cannot succeed to any judgeship which may become available and elects to become clerk in accordance with Section 71085 he shall receive a biweekly salary of five hundred ninety dollars and thirty-two cents ($590.32), rather than the salary specified in Section 74923. Notwithstanding the provisions of Section 72400, the judge of the superseded Pixley Justice Court, while holding such office as clerk, may serve as traffic referee on appointment by the presiding judge of any municipal court in Tulare County. When so appointed he shall receive a biweekly salary of six hundred twenty dollars and twenty-four cents ($620.24) for his services as clerk and traffic referee, plus reimbursement for mileage and travel expenses.

SEC. 10. Section 74924 of the Government Code is amended to read:

74924. Subject to the provisions of Section 72001, the compensation of officers and attachés shall be governed as follows:

(a) The initial hiring rate for each position shall normally be at step A. If it is difficult to secure qualified personnel at such rate, or if a person of unusual qualifications is hired, the appointing authority, with the approval of the Board of Supervisors of the County of Tulare, may employ such person at one of the higher salary steps provided for the position.

(b) All increases in salary shall not be given as a matter of right but only when the presiding judge of the court determines that the officer or employees is properly entitled to receive it. Each person employed in the office of the clerk or marshal, including the clerk, may be advanced from step A to step B of a position following the completion of 13 full pay periods of service in the position. A person may be advanced to steps C, D, and E upon completion of 26 full pay periods of service in the same position.

(c) The salaries of municipal court officers and attachés may, upon recommendation by the appointing authority and approval of the board of supervisors, be adjusted in order to provide

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compensation which is comparable to compensation received by county employees of similar qualifications and experience and holding equal or comparable positions, as said comparability is determined by the board of supervisors. Any such adjustment shall be effective only until January 1, 1979.

(d) Certain classifications in the municipal courts in Tulare County are deemed to be equivalent or related in responsibility and salary level to certain classifications in the service of Tulare County and whenever the salary of a classification in the service of Tulare County is adjusted by the board of supervisors the salary of equivalent classifications and related classifications in the municipal courts in Tulare County shall be adjusted an equal number of ranges on the currently effective salary schedule established by the board of supervisors. Such adjustments shall be effective on the same date as the effective date of the action by the board of supervisors as it applies to classifications in the county service, but such adjustments shall be effective only until January 1, 1979.

The equivalent or related classifications are as follows:

Municipal court classification	County classification
Clerk, municipal court	Assistant county clerk
Assistant clerk municipal court	Court clerk IV
Court clerk III	Court clerk III
Senior clerk-typist	Senior clerk-typist
Intermediate clerk-typist	Intermediate clerk-typist
Marshal	Sheriff's sergeant
Deputy marshal	Bailiff

SEC. 11. Section 74924.5 of the Government Code is amended to read:

74924.5. If an increase in the business of the court or any other emergency requires a greater number of attachés or employees for the prompt and faithful discharge of the business of the court than the number expressly provided in this article or requires the performance of duties of positions in a class not expressly provided in this article, with the approval of the presiding judge of the court and the board of supervisors, the clerk or the marshal may appoint as many additional attachés or employees as are needed. The additional attachés or employees shall be selected and appointed in the same manner as those for whom express provision is made, and they shall receive salary and compensation as prescribed in this article, or as prescribed by ordinance or resolution of the board of supervisors for classes not expressly provided for in this article. If through workload or organizational changes duties are delegated to certain positions in classes not expressly provided for in this article, with the approval of the presiding judge of the court and the board of supervisors, such positions may be reallocated to different existing classes in the County of Tulare classification plan or allocated to new

classes appropriate to the duties being performed. Attachés and employees may continue in such positions, or reallocated positions, only until January 1, 1979. The provisions of this section are not intended to affect the application of Section 72150 of this code.

SEC. 12. Section 74925.5 of the Government Code is amended to read:

74925.5. The officers and attachés of the municipal courts, except regular official reporters and reporters pro tempore, shall be entitled to the same vacation, sick leave, leave of absence and similar benefits and privileges as are now or may hereafter be provided for the employees of the County of Tulare under ordinances and resolutions of the board of supervisors.

SEC. 13. Notwithstanding Section 2231 of the Revenue and Taxation Code there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act, because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 590

An act to amend Sections 69580 and 69582.5 of the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor August 24, 1976. Filed with Secretary of State August 25, 1976.]

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

SECTION 1. Section 69580 of the Government Code is amended to read:

69580. In the County of Alameda there shall be 29 judges of the superior court.

SEC. 2. Section 69582.5 of the Government Code is amended to read:

69582.5. In the County of El Dorado there shall be three judges of the superior court.

SEC. 3. The sum of one hundred twenty thousand dollars ($120,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to this act.

CHAPTER 591

An act to amend Sections 74901, 74904, 74906, 74907, 74908, 74909, 74911, and 74912 of the Government Code, relating to courts.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 25, 1976]

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

SECTION 1. Section 74901 of the Government Code is amended to read:

74901. There shall be nine judges, and 10 judges effective July 1, 1977.

SEC. 2. Section 74904 of the Government Code is amended to read:

74904. Any judge of the Ventura County Municipal Court shall receive from the county the amount of the actual and necessary expenses incurred by him upon the business of the court. Mileage shall be reimbursed at the current rate provided for employees of the County of Ventura. Mileage between residence and court sessions shall be computed each day upon the amount by which the judge's travel exceeds the round trip distance between the judge's residence and the courthouse in the City of Ventura. Unless and until otherwise determined by a majority of the judges of the Ventury County Municipal Court, with the approval of the board of supervisors, municipal court sessions shall be held in the Cities of Ventura, Oxnard, Camarillo, Fillmore, Santa Paula, Ojai, and Simi Valley. A majority of the judges of the Ventura County Municipal Court, with the approval of the board of supervisors, shall designate any additional places within the district where municipal court sessions shall be held and shall designate the principal office of each municipal court department.

SEC. 3. Section 74906 of the Government Code is amended to read:

74906. (a) There shall be one Marshal of the Ventura County Municipal Court who shall be appointed by and serve at the pleasure of a majority of the judges of the court. The marshal shall have control and supervisorial responsibility over the personnel within the marshal's office. The marshal shall receive the monthly compensation from one thousand nine hundred dollars ($1,900) to two thousand seven hundred dollars ($2,700).

(b) There shall be one Assistant Marshal of the Ventura County Municipal Court who shall be appointed by and serve at the pleasure of a majority of the judges of the court. The assistant marshal shall receive monthly compensation from one thousand seven hundred dollars ($1,700) to two thousand five hundred dollars ($2,500).

(c) The rate of monthly compensation to be paid the marshal and assistant marshal within the compensation ranges set forth in

subdivisions (a) and (b), shall be established by joint action and approval of the board of supervisors and a majority of the judges of the court at an amount equal to that paid county employees with comparable experience and responsibility.

SEC. 4. Section 74907 of the Government Code is amended to read:

74907. The court executive officer may appoint the following positions which shall receive biweekly compensation specified in Section 74909:

(a) Four chief deputy municipal court clerks.

(b) Six deputy municipal court clerks IV.

(c) Sixteen deputy municipal court clerks III.

(d) Twenty-two deputy municipal court clerks II;

however, one deputy municipal court clerk II position shall be filled by one former incumbent deputy municipal court clerk V, who shall receive a salary not less than eight hundred thirty-eight dollars ($838) per month until such time as the salary range of the deputy municipal court clerk II as herein described reaches said incumbent salary of eight hundred thirty-eight dollars ($838).

(e) Fifteen deputy municipal court clerks I.

(f) One deputy municipal court legal process clerk.

(g) Four deputy municipal court clerk interpreters.

(h) Three municipal court secretaries.

(i) One data entry operator III.

(j) Three data entry operators II.

(k) Two data entry operators I.

(*l*) Three clerks.

(m) One administrative aide.

(n) One accounting technician.

SEC. 5. Section 74908 of the Government Code is amended to read:

74908. The Marshal of the Ventura County Municipal Court may appoint the following positions which shall receive biweekly compensation specified in Section 74909:

(a) Two lieutenants.

(b) Four sergeants.

(c) Twenty-eight deputy marshals.

(d) Five senior marshal's process clerks.

(e) Three marshal's process clerks.

(f) One senior secretary.

(g) One marshal's radio dispatcher.

(h) Such deputies who shall be keepers as may be reasonably required pursuant to law at the fee allowed by law for keeping property.

The occupants of positions of senior marshal's process clerk and marshal's process clerk shall, when required, be assigned to additional duties as matron, and during the period of such assignment shall receive additional compensation.

SEC. 6. Section 74909 of the Government Code is amended to

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read:

74909. (a) The following biweekly salary schedule, which is consistent with the Salary Ordinance of the County of Ventura, shall apply to the personnel of the Ventura County Municipal Court.

Municipal court classification	Biweekly rate
Chief deputy municipal court clerk	$510.74–621.13
Deputy municipal court clerk IV	408.91–496.82
Deputy municipal court clerk III	371.33–450.55
Deputy municipal court clerk II	320.43–389.24
Deputy municipal court clerk I	281.24–336.67
Deputy municipal court clerk legal process clerk	344.13–418.16
Deputy municipal court clerk interpreter	320.43–389.24
Data entry operator III	313.26–380.89
Data entry operator II	276.47–336.39
Data entry operator I	264.01–320.37
Municipal court secretary	362.05–439.55
Clerk	240.89–287.71
Administrative aide	413.32–502.56
Accounting technician	419.44–509.62

Municipal court/marshal classification	Biweekly rate
Lieutenant	$675.28–821.09
Sergeant	584.20–710.19
Deputy marshal	492.83–598.42
Senior secretary	344.13–418.16
Senior marshal's process clerk	344.13–418.16
Marshal's process clerk	297.87–362.05
Marshal's radio dispatcher	311.58–378.72

Merit increases within the salary range shall be in accordance with the salary merit increment plan.

(b) In the event that the above biweekly salary schedule is not applicable, then Section 74912 shall apply.

SEC. 7. Section 74911 of the Government Code is amended to read:

74911. (a) All attachés and employees of the Ventura County Municipal Court shall be entitled to anniversary dates and salary step increases in the manner provided in the Ventura County Personnel and Salary Ordinance and shall receive the same vacation, sick leave, leave of absence, overtime and similar privileges and benefits provided for the officers and employees of Ventura County.

Except as otherwise provided in this article, the provisions of the Ventura County Ordinance Code relating to the civil service system of the county, and the rules of the civil service commission adopted pursuant thereto, shall be applicable to all attachés and employees of the Ventura County Municipal Court in the same manner and to the same extent as appliable generally to the officers and employees of Ventura County. The Ventura County Civil Service Commission

shall exercise the same jurisdiction over the attachés and employees of the Ventura County Municipal Court as it exercises over the officers and employees of the county.

(b) The provisions of subdivision (a) shall not apply to the court executive officer, assistant clerk, marshal, or assistant marshal. Such persons shall receive the benefits as provided by the Ventura County Management Compensation Plan.

SEC. 8. Section 74912 of the Government Code is amended to read:

74912. (a) Certain classifications in the Ventura County Municipal Court are deemed to be equivalent in position responsibility and salary level to certain classifications in the service of Ventura County and whenever the salary of an equivalent classification in the Ventura County service is adjusted by the board of supervisors, the salary of the equivalent classification in the Ventura County Municipal Court and the salary of the personnel in such classifications, shall be adjusted an equivalent amount. Such adjustments shall be effective on the same date as the effective date of the action by the board of supervisors as it applies to classifications in the Ventura County service. Any salary increases granted or reclassifications made pursuant to this article shall be effective only until the effective date of general legislation enacted by the Legislature at its next regular session following the date such salary increases are granted or reclassifications made. Classifications deemed to be equivalent are as follows:

Municipal court classification	County classification
Chief deputy municipal court clerk	Chief superior court clerk
Deputy municipal court clerk IV	Superior court clerk IV
Deputy municipal court clerk III	Superior court clerk III
Deputy municipal court clerk II	Superior court clerk II
Deputy municipal court clerk I	Superior court clerk I
Deputy municipal court legal process clerk	Legal process clerk
Data entry operator III	Data entry operator III
Data entry operator II	Data entry operator II
Data entry operator I	Data entry operator I
Municipal court secretary	Superior court secretary
Clerk	Clerk
Administrative aide	Administrative aide
Accounting technician	Accounting technician

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Municipal court/marshal classification	County classification
Lieutenant	Sheriff's lieutenant
Sergeant	Sheriff's sergeant
Deputy marshal	Deputy sheriff
Senior secretary	Senior secretary
Senior marshal's process clerk	Legal process clerk
Marshal's process clerk	Civil process clerk
Marshal's radio dispatcher	Radio dispatcher

In order to carry out the intent of Section 74912 herein, whenever the salary of the class of deputy municipal court clerk I is adjusted as described above, the salary of deputy municipal court clerk interpreter shall be adjusted an equivalent number of ranges or steps as necessary on the schedule.

SEC. 9. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act, because this act is in accordance with a local request of a local government entity which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 592

An act to amend Section 5093.36 of the Public Resources Code, relating to wilderness areas.

[Approved by Governor August 24, 1976 Filed with Secretary of State August 26, 1976]

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

SECTION 1. Section 5093.36 of the Public Resources Code is amended to read:

5093.36. (a) Except as otherwise provided in this chapter, each state agency with jurisdiction over any area designated as a wilderness area shall be responsible for preserving the wilderness character of the wilderness area and shall so administer such area for such other purposes for which it may have been established as also to preserve its wilderness character. Except as otherwise provided in this chapter, wilderness areas shall be devoted to the public purposes of recreational, scenic, scientific, educational, conservation, and historical use.

(b) Except as specifically provided in this chapter, and subject to private rights existing as of January 1, 1975, there shall be no commercial enterprise and no permanent road within any

wilderness area and, except as necessary in emergencies involving the health and safety of persons within the wilderness area, there shall be no temporary road, no use of motor vehicles, motorized equipment, or motorboats, no landing or hovering of aircraft, no flying of aircraft lower than 2,000 feet above the ground, no other form of mechanical transport, and no structure or installation within any wilderness area.

(c) The following special provisions are hereby made:

(1) Within wilderness areas, such measures may be taken as may be necessary for the control of fire, insects, and diseases, subject to such conditions as the state agency or agencies having jurisdiction over such wilderness areas may deem desirable.

(2) Nothing in this chapter shall prevent any activity by any public agency within a wilderness area, including prospecting, for the purpose of gathering information about mineral or other resources, which the state agency or agencies having jurisdiction over such wilderness area have determined will be carried on in a manner compatible with the preservation of the wilderness environment.

(3) The state agency or agencies having jurisdiction over wilderness areas may authorize the collection of hydrometeorological data and the conduct of weather modification activities, including both atmospheric and surface activities and environmental research, which are within, over, or may affect wilderness areas and for such purposes may permit access, installation, and use of equipment which is specifically justified and unobtrusively located. Maximum practical application of miniaturization, telemetry, and camouflage shall be employed in conducting weather modification activities. In granting permission for the conduct of data collection and weather modification activities, the appropriate state agency may prescribe such operating and monitoring conditions as it deems necessary to minimize or avoid long-term and intensive local impact on the wilderness character of the wilderness areas affected.

(4) Within wilderness areas, the grazing of livestock, where established prior to January 1, 1975, may be permitted to be continued by the present lessee or permittee subject to limitation by such terms and regulations as are deemed necessary by the state agency or agencies having jurisdiction over such wilderness areas.

(5) The provisions of this chapter shall not apply to the aerial stocking of fish or to the conduct of aerial surveys of wildlife species.

CHAPTER 593

An act to add Section 21168.3 to the Public Resources Code, relating to environmental quality.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 21168.3 is added to the Public Resources Code, to read:

21168.3. In all actions brought pursuant to Section 21167, including the hearing of any such action on appeal from the decision of a lower court, all courts wherein such actions are or may hereafter be pending, shall give such actions preference over all other civil actions therein, in the matter of setting the same for hearing or trial, and in hearing the same, to the end that all such actions shall be quickly heard and determined.

CHAPTER 594

An act to amend Section 91001 of, and to add Section 91001.5 to, the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 91001 of the Government Code is amended to read:

91001. (a) The Attorney General is responsible for enforcing the criminal provisions of this title with respect to state agencies, lobbyists and state elections. The district attorney of any county in which a violation occurs has concurrent powers and responsibilities with the Attorney General.

(b) The civil prosecutor is primarily responsible for enforcement of the civil penalties and remedies of this title. The civil prosecutor is the commission with respect to the state or any state agency, except itself. The Attorney General is the civil prosecutor with respect to the commission. The district attorneys are the civil prosecutors with respect to any other agency. The civil prosecutor may bring any civil action under this title which could be brought by a voter or resident of the jurisdiction.

SEC. 2. Section 91001.5 is added to the Government Code, to read:

91001.5. In any case in which a district attorney could act as the

civil or criminal prosecutor under the provisions of this title, the elected city attorney of any charter city may act as the civil or criminal prosecutor with respect to any violations of this title occurring within the city.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to avoid the conflict inherent in the situation where a city attorney is responsible for the enforcement of the criminal sanctions of the Political Reform Act against the members of the legislative body of the city which employs him, and to avoid the existing situation where the Fair Political Practices Commission is the civil prosecutor with respect to the activities of its own members and staff, it is necessary that this act be given immediate effect.

CHAPTER 595

An act to amend Section 367 of, and to add Section 374 to, the Code of Civil Procedure, relating to real estate developments.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 367 of the Code of Civil Procedure is amended to read:

367. Every action must be prosecuted in the name of the real party in interest, except as provided in Sections 369 and 374 of this code.

SEC. 2. Section 374 is added to the Code of Civil Procedure, to read:

374. An owners' association established in a project consisting of condominiums, as defined in Section 783 of the Civil Code, or of a community apartment project, as defined in Section 11004 of the Business and Professions Code, or an undivided interest subdivision project, as defined in Section 11000.1 of the Business and Professions Code, shall have standing to sue as the real party in interest for any damages to the commonly owned lots, parcels or areas occasioned by the acts or omissions of others, without joining with it the individual owners of such project.

CHAPTER 596

An act to amend Sections 13100, 13160, and 13160.1 of, and to repeal Section 1055 of, the Water Code, relating to water.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 1055 of the Water Code is repealed.

SEC. 2. Section 13100 of the Water Code is amended to read:

13100. There is in the Resources Agency the State Water Resources Control Board and the California regional water quality control boards. The organization, membership, and some of the duties of the state board are provided for in Article 3 (commencing with Section 174) of Chapter 2 of Division 1 of this code.

SEC. 3. Section 13160 of the Water Code is amended to read:

13160. The state board is designated as the state water pollution control agency for all purposes stated in the Federal Water Pollution Control Act and any other federal act, heretofore or hereafter enacted, and is (a) authorized to give any certificate or statement required by any federal agency pursuant to any such federal act that there is reasonable assurance that an activity of any person subject to the jurisdiction of the state board will not reduce water quality below applicable standards, and (b) authorized to exercise any powers delegated to the state by the Federal Water Pollution Control Act (33 U.S.C. 1251, et seq.) and acts amendatory thereto.

SEC. 4. Section 13160.1 of the Water Code is amended to read:

13160.1. The state board may establish a reasonable fee schedule to cover the cost of giving any certificate which is required or authorized by any federal law with respect to the effect of any existing or proposed facility, project, or construction work upon the quality of waters of the state, including certificates requested by applicants for a federal permit or license pursuant to Section 401 of the Federal Water Pollution Control Act and certificates requested pursuant to Section 169 of the Internal Revenue Code, as amended in 1969, with respect to water pollution control facilities.

CHAPTER 597

An act to amend Sections 1526 and 1552 of the Health and Safety Code, relating to community care facilities.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 1526 of the Health and Safety Code is amended to read:

1526. Immediately upon the denial of any application for a license or for a special permit, the state department shall notify the applicant in writing. Within 15 days after the state department mails the notice, the applicant may present his written petition for a hearing to the state department. Upon receipt by the state department of the petition in proper form, such petition shall be set for hearing. The proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the state department has all the powers granted therein.

SEC. 2. Section 1552 of the Health and Safety Code is amended to read:

1552. When the director intends to seek the suspension or revocation of a license or special permit, he shall notify the licensee or holder of the special permit of the proposed suspension or revocation and at the same time shall serve such person with an accusation. Upon receipt of a notice of defense from the licensee or holder of the special permit, the director shall set the matter for hearing within 30 days after receipt of such notice. The director shall make a final determination as to whether to suspend or revoke the license or special permit within 30 days after the original hearing has been completed.

CHAPTER 598

An act to add Section 2146.5 to the Business and Professions Code, relating to medical assistants.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 2146.5 is added to the Business and Professions Code, to read:

2146.5. A medical assistant may, upon the specific authorization and under the direct supervision of a physician and surgeon, administer medication by intramuscular injection and perform skin tests.

"Direct supervision" as used in this section means supervision of procedures authorized by this section by a licensed physician and surgeon, who must be physically present in the treatment facility during the performance of such procedures.

For purposes of this section, "medical assistant" is defined as a person who is employed by a licensed physician or physicians, or a medical corporation established pursuant to Article 17 (commencing

with Section 2500) of Chapter 5, who performs basic administrative, clerical, and technical supportive services for such physician, or physicians, or medical corporation, and who is at least 18 years of age and has had at least the minimum amount of hours of appropriate training pursuant to standards established by the Division of Allied Health Professions.

CHAPTER 599

An act to amend Section 1776 of the Labor Code, relating to public works wages.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 1776 of the Labor Code is amended to read:

1776. Each contractor and subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice or worker employed by him in connection with the public work. The contractor's and subcontractor's payroll records shall be available for inspection at all reasonable hours, and a copy shall be made available to the employee or his authorized representative, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards. The body awarding the contract may charge a reasonable fee for copying such records. The body awarding the contract shall be required to retain the records filed pursuant to this section for 90 days after completion of the contract. After a complaint has been filed with the awarding body or the Division of Labor Standards Enforcement alleging that a contractor or subcontractor has paid less than the prevailing wage on a public works project, the contractor or subcontractor shall upon written notice from either the awarding body or the Division of Labor Standards Enforcement within 10 days file with the body awarding the contract a certified copy of the payroll records.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because self-financing authority is provided in this act to cover such costs.

CHAPTER 600

An act to add Sections 22712.5, 22712.6, and 22712.7 to the Education Code, and to add Article 19 (commencing with Section 429.94) to Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, relating to health services.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 22712.5 is added to the Education Code, to read:

22712.5. The commission shall issue a Health Sciences Education Plan which shall take into account the Health Manpower Plan issued by the State Department of Health pursuant to Section 429.96 of the Health and Safety Code.

SEC. 2. Section 22712.6 is added to the Education Code, to read:

22712.6. The Health Sciences Education Plan shall consist of at least the following elements:

(a) A finding, taking into account the findings of the Health Manpower Plan issued by the State Department of Health, as to whether health sciences education enrollment levels are adequate to meet the needs in California for health personnel, by category and specialty within each category.

(b) A finding as to the extent to which the sites of health sciences training programs make maximum available use of existing clinical and classroom resources throughout the state.

(c) Recommendations concerning the establishment of new programs or the elimination of existing programs in health sciences according to findings in subdivisions (a) and (b).

SEC. 3. Section 22712.7 is added to the Education Code, to read:

22712.7. The commission shall issue an updated Health Sciences Education Plan and recommendations to the Legislature and the Governor on or before March 1, 1978, and on or before March 1 of every even-numbered calendar year thereafter.

SEC. 4. Article 19 (commencing with Section 429.94) is added to Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, to read:

Article 19. Health Manpower Planning

429.94. The state department shall prepare a Health Manpower Plan for California. The plan shall consist of at least the following elements:

(a) The establishment of appropriate standards for determining the adequacy of supply in California of at least each of the following categories of health personnel: physicians, midlevel medical

practitioners (physician's assistants and nurse practitioners); nurses; dentists; midlevel dental practitioners (dental nurses and dental hygienists); optometrists; optometry assistants; pharmacists; and pharmacy technicians.

(b) A determination of appropriate standards for the adequacy of supply of the categories in subdivision (a) shall be made by taking into account all of the following: current levels of demand for health services in California; the capacity of each category of personnel in subdivision (a) to provide health services; the extent to which midlevel practitioners and assistants can substitute their services for those of other personnel; the likely impact of the implementation of a national health insurance program on the demand for health services in California; professionally developed standards for the adequacy of the supply of health personnel; and assumptions concerning the future organization of health care services in California.

(c) A determination of the adequacy of the current and future supply of health personnel by category in subdivision (a) taking into account the sources of supply for such personnel in California, the magnitude of immigration of personnel to California, and the likelihood of such immigration continuing.

(d) A determination of the adequacy of the supply of specialties within each category of health personnel in subdivision (a). Such determination shall be made, based upon standards of appropriate supply to specialty developed, in accordance with subdivision (b).

(e) Recommendations concerning changes in health manpower policies, licensing statutes, and programs needed to meet the state's need for health personnel.

429.95. The state department shall consult with the Health Manpower Policy Commission, health systems agencies, and other appropriate organizations in the preparation of this plan.

429.96. The state department shall issue an updated Health Manpower Plan and recommendations to the California Postsecondary Education Commission, the Legislature, and the Governor on or before September 1, 1977, and on or before September 1 of each odd-numbered calendar year thereafter.

CHAPTER 601

An act to add Sections 26468 and 26569.9 to the Health and Safety Code, relating to food.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 26468 is added to the Health and Safety Code, to read:

26468. It shall be unlawful to advertise or otherwise represent chopped or ground beef or hamburger in violation of Section 26569.9.

SEC. 2. Section 26569.9 is added to the Health and Safety Code, to read:

26569.9. No chopped or ground beef or hamburger which is offered for sale in any retail food production and marketing establishment or frozen food locker plant shall be advertised, labeled, or otherwise held out in any manner to describe or suggest its quality or relative leanness or fat content unless the label, advertisement, or other representation accurately discloses the maximum fat content thereof by one of the following designations:

(a) Does not exceed 30 percent fat

(b) Does not exceed 22 percent fat

(c) Does not exceed 15 percent fat.

No designation such as, but not limited to, "lean," "super lean," "premium," "deluxe" or similar terms descriptive of quality, leanness, or fat content shall be included on any such label unless the label also contains the fat-weight designation specified in subdivision (a), (b), or (c). However, as an alternative to including such fat-weight designation on the label, the fat-weight designation required by this section may be disclosed by means of a sign placed immediately adjacent to the counter on which the chopped or ground beef or hamburger is displayed. Such a sign shall be within plain view of prospective purchasers and shall display the appropriate designation specified in subdivision (a), (b), or (c) in boldface print.

It is unlawful and constitutes misbranding for any person to sell or offer for sale in a retail food production and marketing establishment or frozen food locker plant any chopped or ground beef or hamburger which is labeled in violation of this section.

The Department of Consumer Affairs shall conduct a study monitoring the impact of the provisions of this section and Section 26468 on industry and consumers between January 1, 1977, and December 31, 1977, and shall prepare and deliver a report to the Legislature by December 31, 1977, which evaluates the results of such survey.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 602

An act to amend Sections 3075 and 3152 of the Business and Professions Code, relating to optometry, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 3075 of the Business and Professions Code is amended to read:

3075. (a) Each holder of a certificate of registration or a certification of issuance of his certificate of registration shall keep it conspicuously posted in his office or place of practice at all times.

(b) The board may, by rule or regulation, provide that, when the holder of a certificate of registration has more than one office or place of practice or is employed to practice optometry in more than one office or place of practice and it is infeasible to have his certificate of registration or a certification of issuance of his certificate of registration posted in more than one of such offices or places of practice, he shall have such other evidence as may be prescribed by the board that he is licensed to practice optometry in California conspicuously posted in each of such additional offices or places of practice which he has or where he is employed to practice optometry. When the board is requested by a holder of a certificate of registration or certification of issuance of his certificate of registration to issue such other evidence that he is licensed to practice optometry, the board may charge a fee not to exceed twenty-five dollars ($25) for each issuance of such other evidence.

SEC. 2. Section 3152 of the Business and Professions Code is amended to read:

3152. The amount of fees and penalties prescribed by this chapter shall be fixed by the board in amounts not greater than those specified in the following schedule:

(a) The fee for applicants applying for a certificate of registration who present credentials of graduation from an accredited school of optometry shall not exceed seventy-five dollars ($75) which shall not be refunded, except that applicants who are found ineligible to take an examination for a certificate of registration are entitled to a refund of a maximum of fifty dollars ($50).

(b) The fee for annual renewal of a certificate of registration shall not exceed eighty-five dollars ($85).

(c) The delinquency fee shall not exceed twenty-five dollars ($25).

(d) The annual fee for the renewal of a branch office license shall not exceed seventy-five dollars ($75).

(e) The fee for a branch office license shall not exceed seventy-five dollars ($75).

(f) The penalty for failure to pay the annual fee for renewal of a branch office license shall not exceed twenty-five dollars ($25).

(g) The fee for restoration of a certificate of registration after suspension for failure to comply with the provisions of this chapter relating to branch offices shall not exceed seventy-five dollars ($75).

(h) The fee for issuance of a certification of registration or upon change of name authorized by law of a person holding a certificate of registration under this chapter shall not exceed twenty-five dollars ($25).

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The State Board of Optometry needs additional funds to pay its operating costs. It is therefore necessary that this act take effect immediately.

CHAPTER 603

An act to repeal and add Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code, and to repeal and add Sections 14258, 25452.5, and 37903.5 of the Government Code, relating to rivers, streams, and lakes.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code is repealed.

SEC. 2. Chapter 6 (commencing with Section 1600) is added to Division 2 of the Fish and Game Code, to read:

CHAPTER 6. FISH AND WILDLIFE PROTECTION AND CONSERVATION

1600. The protection and conservation of the fish and wildlife resources of this state are hereby declared to be of utmost public interest. Fish and wildlife are the property of the people and provide a major contribution to the economy of the state as well as providing a significant part of the people's food supply and therefore their conservation is a proper responsibility of the state. This chapter is enacted to provide such conservation for these resources.

1601. Except as hereinafter provided, general plans sufficient to indicate the nature of a project for construction by, or on behalf of,

any governmental agency, state or local, and any public utility, of any project which will divert, obstruct or change the natural flow or bed, channel or bank of any river, stream or lake designated by the department in which there is at any time an existing fish or wildlife resource or from which these resources derive benefit, or will use material from the streambeds designated by the department, shall be submitted to the department. When an existing fish or wildlife resource may be substantially adversely affected by such construction, the department shall notify the governmental agency or public utility of the existence of such fish or wildlife resource together with a description thereof and will propose reasonable modifications in the proposed construction as would allow for the protection and continuance of the fish or wildlife resource, including procedures to review the operation of such protective measures. Such proposals shall be submitted within 30 days of receipt of such plans, with the provision that this time may be extended by mutual agreement. Upon a determination by the department and after notice to the affected parties of the necessity for an onsite investigation or upon the request for an onsite investigation by the affected parties, the department shall make an onsite investigation of the proposed construction and shall make such investigation before it proposes any modifications.

Within 14 days of receipt of the department's proposals, the affected agency or public utility shall notify the department in writing as to the acceptability of the proposals, except that this time may be extended by mutual agreement. If such proposals are not acceptable to the affected agency or public utility, then that agency or public utility shall so notify the department. Upon request the department shall meet with the affected agency or public utility within seven days of receipt of such notification or such time as may be mutually agreed upon for the purpose of developing proposals which are acceptable to the department and the affected agency or public utility. If mutual agreement is not reached at such meeting a panel of arbitrators shall be established; provided, however, that the appointment of such panel may be deferred by mutual consent of the parties. The panel shall be established within seven days of such meeting and shall be composed of one representative of the department, one representative of the affected agency or public utility, and a third person mutually agreed upon, or if no agreement can be reached, the third person shall be appointed in the manner provided by Section 1281.6 of the Code of Civil Procedure. The third person shall act as panel chairman. The panel shall have power to settle disagreements and make binding decisions regarding such fish and wildlife modifications. Such arbitration shall be completed within 14 days from the day that the composition of the panel is established, unless the time is extended by mutual agreement. Expenses of the department representative are to be borne by the department; expenses of the representative of the governmental agency, state or local, or the public utility are to be borne by the

governmental agency, state or local, or the public utility; expenses of the chairman are to be paid one-half by each party.

Agencies or public utilities proposing projects affected by this section shall not commence such operations until the department has found that such project will not substantially adversely affect an existing fish or wildlife resource or until the department's proposals, or the decisions of a panel of arbitrators, have been incorporated into such projects.

The department shall determine and specify types of work, methods of performance or remedial measures which shall be exempt from the operation of this section.

With regard to any project which involves routine maintenance and operation of water supply, drainage, flood control, or waste treatment and disposal facilities, notice to and agreement with the department shall not be required subsequent to the initial notification and agreement unless the work as described in the agreement is substantially changed, or conditions affecting fish and wildlife resources substantially change, and such resources are adversely affected by the activity conducted under the agreement. This provision shall be applicable in any instance where notice to and agreement with the department has been attained prior to the effective date of this act.

The provisions of this section shall not be applicable to emergency work necessary to protect life or property; however, notification by the agency or public utility performing such emergency work shall be made to the department within 14 days of the commencement of such emergency work.

1602. In addition to the provisions of Section 1601, the department, following submission of the modifications referred to in Section 1601, shall by mutual agreement with any state agency proposing such project, establish such procedures that the parties deem necessary to provide adequate review of the proposed modifications and consideration of alternative conditions designed to protect existing fish and wildlife resources. If no agreement can be reached between the department and the state agency proposing the project, the procedures for arbitration specified in Section 1601 shall then apply.

1603. It is unlawful for any person to substantially divert or obstruct the natural flow or substantially change the bed, channel or bank of any river, stream or lake designated by the department, or use any material from the streambeds, without first notifying the department of such activity, except when the department has been notified pursuant to Section 1601. The department within 30 days of receipt of such notice, or within the time determined by mutual written agreement, shall, when an existing fish or wildlife resource may be substantially adversely affected by such activity, notify the person of the existence of such fish and wildlife resource together with a description thereof, and shall submit to the person its proposals as to measures necessary to protect fish and wildlife. Upon

a determination by the department of the necessity for onsite investigation or upon the request for an onsite investigation by the affected parties, the department shall notify the affected parties that it shall make onsite investigation of the activity and shall make such investigation before it shall propose any measure necessary to protect the fish and wildlife.

Within 14 days of receipt of the department's proposals, the affected person shall notify the department in writing as to the acceptability of the proposals, except that this time may be extended by mutual agreement. If such proposals are not acceptable to the affected person, then that person shall so notify the department. Upon request the department shall meet with the affected person within seven days of receipt of such notification or such time as may be mutually agreed upon for the purpose of developing proposals which are acceptable to the department and the affected person. If mutual agreement is not reached at such meeting a panel of arbitrators shall be established; provided, however, that the appointment of such panel may be deferred by mutual consent of the parties. The panel shall be established within seven days of such meeting and shall be composed of one representative of the department, one representative of the affected person, and a third person mutually agreed upon, or if no agreement can be reached, the third person shall be appointed in the manner provided by Section 1281.6 of the Code of Civil Procedure. The third person shall act as panel chairman. The panel shall have power to settle disagreements and make binding decisions regarding fish and wildlife modifications. Such arbitration shall be completed within 14 days from the day that the composition of the panel is established, unless the time is extended by mutual agreement. Expenses of the department representative are to be borne by the department, expenses of the representative of the person who diverts or obstructs the natural flow or changes the bed of any river, stream or lake, or uses any material from the streambeds shall be borne by such person; expenses of the chairman are to be paid one-half by each party.

It is unlawful for any person to commence any activity affected by this section until the department has found it will not substantially adversely affect an existing fish or wildlife resource or until the department's proposals, or the decisions of a panel of arbitrators, have been incorporated into such projects. If the department fails to act within 30 days of the receipt of the notice, the person may commence such activity.

It is unlawful for any person to engage in a project or activity affected by this section, unless such project or activity is conducted in accordance with the department's proposals or the decisions of the panel of arbitrators.

With regard to any project which involves routine maintenance and operation of water supply, drainage, flood control, or waste treatment and disposal facilities, notice to and agreement with the department shall not be required subsequent to the initial

notification and agreement unless the work as described in the agreement is substantially changed, or conditions affecting fish and wildlife resources substantially change, and such resources are adversely affected by the activity conducted under the agreement. This provision shall be applicable in any instance where notice to and agreement with the department have been attained prior to the effective date of this chapter.

The provisions of this section shall not be applicable to emergency work necessary to protect life or property. Notification by the person performing such emergency work shall be made to the department within 14 days of commencement of such emergency work.

1604. Any party affected by a decision made by an arbitration panel pursuant to Section 1601 or 1603 may petition a court of competent jurisdiction for confirmation, correction, or vacation of the decision in accordance with the provisions of Chapter 4 (commencing with Section 1285) of Title 9 of Part 3 of the Code of Civil Procedure.

1605. Any governmental agency, state or local, or public utility which intends to specify any location of possible construction material such as borrow pits or gravel beds, for the use in any construction project undertaken on its behalf which would be subject to this chapter, shall include in any notice inviting bids, any modifications or conditions established pursuant to Section 1601 of this code.

1606. Persons submitting timber harvesting plans under provisions of Section 4581 of the Public Resources Code may consider that notification to the department as required in Section 1603 has been given, provided, however, the following information is provided in the contents of such plan:

(a) The volume, type, and equipment to be used in removing or displacing any one or combination of soil, sand, gravel or boulders.

(b) The volume of water, intended use, and equipment to be used in any water diversion or impoundment, if applicable.

(c) The equipment to be used in road or bridge construction.

(d) The type and density of vegetation to be affected and an estimate of the area involved.

(e) A diagram or sketch of the location of the operation which clearly indicates the stream or other water and access from a named public road. Locked gates shall be indicated. The compass direction must be shown.

(f) A description of the period of time in which operations will be carried out.

SEC. 2. Section 14258 of the Government Code is repealed.

SEC. 3. Section 14258 is added to the Government Code, to read:

14258. Any notice inviting bids on a project which specifies locations of possible materials, such as a borrow pit or gravel bed, for use in the proposed project which would be subject to Section 1601 or 1603 of the Fish and Game Code shall include any conditions or modifications established pursuant to Section 1601.

SEC. 4. Section 25452.5 of the Government Code is repealed.

SEC. 5. Section 25452.5 is added to the Government Code, to read:

25452.5. Any notice inviting bids which specifies locations of possible materials, such as a borrow pit or gravel bed, for use in the proposed construction project which would be subject to Section 1601 or 1603 of the Fish and Game Code shall include any conditions or modifications established pursuant to Section 1601.

SEC. 6. Section 37903.5 of the Government Code is repealed.

SEC. 7. Section 37903.5 is added to the Government Code, to read:

37903.5. Any notice inviting bids, which specifies locations of possible materials, such as a borrow pit or gravel bed, for use in the proposed construction project which would be subject to Section 1601 or 1603 of the Fish and Game Code shall include any conditions or modifications established pursuant to Section 1601.

CHAPTER 604

An act to amend Sections 543, 544, 546, and 547 of, and to add Section 544.1 to, and to add Article 6 (commencing with Section 548) to Chapter 1 of Part 2 of Division 1 of, the Health and Safety Code, relating to sanitarians.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 543 of the Health and Safety Code is amended to read:

543. A nonreturnable application fee of twenty-five dollars ($25) shall be paid by a person each time he applies for registration as a sanitarian under the provisions of this article. A nonreturnable examination fee, as determined by the department, not to exceed fifty dollars ($50) shall be paid by a person each time he applies to take the examination authorized by subdivision (b) of Section 542.

SEC. 2. Section 544 of the Health and Safety Code is amended to read:

544. A nonreturnable biennial renewal fee, as determined by the department, not to exceed thirty dollars ($30), shall be paid by each registered sanitarian on or before the first day of January of every second year, or on such other date as determined by the department. Each sanitarian registered on or after the effective date of this section, shall first pay the biennial fee at the time of initial registration to cover the calendar year in which registration is acquired and the following calendar year.

SEC. 3. Section 544.1 is added to the Health and Safety Code, to

read:

544.1. A person who was a registered sanitarian and who has retired may, upon payment of one-half of the fee set pursuant to Section 544, renew his registration. However, such a person shall be recognized only as an inactive registered sanitarian.

SEC. 4. Section 546 of the Health and Safety Code is amended to read:

546. An additional penalty fee of fifteen dollars ($15) for each year of delinquency or portion thereof shall be paid by each person who fails to pay the fee required by Section 544 within 30 days of the established due date.

SEC. 5. Section 547 of the Health and Safety Code is amended to read:

547. All fees payable under the provisions of Sections 543, 544, 544.1, and 546 shall be collected by and paid to the department, and shall be deposited by the department in the General Fund. It is the intention of the Legislature that the costs of carrying out the purposes of this chapter shall be covered by the revenues collected pursuant to this section.

SEC. 6. Article 6 (commencing with Section 548) is added to Chapter 1 of Part 2 of Division 1 of the Health and Safety Code, to read:

Article 6. Sanitarian Registration Certification Advisory Committee

548. The director shall appoint a sanitarian registration certification advisory committee to advise and make recommendations for the establishment of rules and regulations necessary to ensure the proper administration and enforcement of the provisions of this chapter.

549. The department shall, upon recommendation of the advisory committee, adopt such regulations as may be necessary to accomplish the purposes of this article.

550. The appointments to the advisory committee shall be made from lists of at least three nominees for each position submitted by the groups or individuals as designated in Section 551.

551. The advisory committee shall consist of the Chief of the Local Environmental Health Programs Section, State Department of Health, or his designate, who shall serve as chairman ex officio, but who shall not vote, and the following nine members who shall be residents of the state:

(a) Two members from the California Conference of Directors of Environmental Health who shall be registered as sanitarians by the department and shall have had at least two years' experience as directors in the State of California.

(b) Three members, each of whom shall be a qualified, practicing sanitarian who has been registered by the State of California for a period of five or more years.

(c) One member from the California Conference of Local Health Officers.

(d) Two members from the faculty of those California State University and Colleges which have curricula leading to a degree in environmental health.

(e) One public member. The public member shall not have been engaged at any time within five years immediately preceding his appointment in pursuits which lie within the field of environmental health or the profession regulated by the advisory committee of which he is a member.

552. Members of the advisory committee shall serve without compensation, but shall receive their actual and necessary expenses incurred in the performance of their duties on the advisory committee.

553. The terms of the members of the advisory committee first appointed shall be determined by lot and shall expire as follows: two members January 1, 1978; two members January 1, 1979; two members January 1, 1980; and three members January 1, 1981. Thereafter, appointments shall be for a four-year term. Each member shall serve on the advisory committee until the appointment and qualification of his successor or until one year shall have elapsed since the expiration of the term for which he was appointed, whichever first occurs. Vacancies occurring prior to the expiration of the term shall be filled by appointment for the unexpired term.

554. No person shall serve as a member of the advisory committee for more than two terms.

555. The advisory committee shall meet at least two times annually and at such other times as it may determine.

556. Five members of the advisory committee shall constitute a quorum for the transaction of business.

CHAPTER 605

An act to amend Section 14076 of the Education Code, relating to the State Teachers' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 14076 of the Education Code is amended to read:

14076. Employing school districts and other employing agencies shall notify all members who terminate employment with less than five years' credited California service that the only benefit for which

they are eligible at any time is the refund of accumulated contributions, the rate of interest which will be earned, and actions which may be taken by the board if such contributions are not withdrawn. Employing school districts and other employing agents shall transmit such information to the member as part of the usual separation documents.

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

In order that members of the State Teachers' Retirement System who terminate employment with less than five years credited California service receive the benefits of this act during the 1976–77 fiscal year, this act must take effect immediately.

CHAPTER 606

An act to add Section 16051.1 to, and to amend Section 16075 of, the Education Code, relating to school property.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 16051.1 is added to the Education Code, to read:

16051.1. (a) It is the intent of the Legislature that school districts be authorized under specified procedures to make vacant classrooms in operating schools available for rent or lease to other school districts, educational agencies, governmental units, nonprofit organizations, community agencies, professional agencies, commercial and noncommercial firms, corporations, partnerships, businesses and individuals. This will place students in close relationship to the world of work, thus facilitating career education opportunities.

(b) It is the intent of the Legislature that priority in leasing or renting vacant classroom space be given to educational agencies, particularly those conducting special education programs.

It is the intent of the Legislature that such procedures provide for community involvement by attendance area and at the district level. This community involvement should facilitate making the best possible judgments about the use of excess school facilities in each individual situation.

It is the intent of the Legislature to have the community involved before decisions are made about school closure or the use of surplus space, thus avoiding community conflict and assuring building use that is compatible with the community's needs and desires.

(c) The governing board of any school district may, and the governing board of each school district, prior to the sale, lease, or rental of any excess real property, except rentals not exceeding 30 days, shall, appoint a district advisory committee to advise the governing board in the development of districtwide policies and procedures governing the use or disposition of school buildings or space in school buildings which is not needed for school purposes.

(d) A district advisory committee shall consist of not less than 7 nor more than 11 members, and shall be representative of the following:

1. The ethnic, age group and socioeconomic composition of the district.

2. The business community, such as store owners, managers or supervisors.

3. Landowners and renters.

4. Teachers and administrators.

5. Parents of students.

6. Persons with expertise in environmental impact, legal contracts, building codes, and land use planning.

(e) The district advisory committee shall:

1. Review the projected school enrollment and other data as provided by the district to determine the amount of surplus space.

2. Establish a priority list of use of surplus space that will be acceptable to the community.

3. Cause to have circulated throughout the attendance area a priority list of surplus space and provide for hearings of community input to the committee on acceptable uses of space.

4. Make a final determination of limits of tolerance for use of space.

5. Forward to the district governing board a report recommending uses of surplus space.

(f) An existing district advisory committee having the representation specified in subdivision (c), may be designated as the district advisory committee for the purposes of this section.

SEC. 2. Section 16075 of the Education Code is amended to read:

16075. Any school district may enter into leases and agreements relating to real property and buildings to be used jointly by the district and any private person, firm, or corporation pursuant to this article. As used in this article, "building" includes onsite and offsite facilities, utilities and improvements which as agreed upon by the parties are appropriate for the proper operation or function of the building to be occupied jointly by the district and the private person, firm, or corporation. It also includes the permanent improvement of school grounds.

Any building, or portion thereof, which is used by a private person, firm, or corporation pursuant to this section shall be subject to the zoning and building code requirements of the local jurisdiction in which the building is situated.

Section 53094 of the Government Code shall not be applicable to

uses of school district property or buildings authorized by this section, except in the case of property or buildings used solely for educational purposes.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 607

An act to add Section 6211 to the Public Resources Code, relating to public lands.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 6211 is added to the Public Resources Code, to read:

6211. Whenever a parcel of timbered land under jurisdiction of the commission is totally surrounded by, or is contiguous to, a national or state forest, the commission may, whenever it is in the best interests of the state to do so, and after 10 days' prior notice to the Secretary of the Resources Agency for comments, provide for the harvesting of timber from such land at the same time as the orderly harvesting of the surrounding or adjacent federal- or state-owned timber. In carrying out the provisions of this section, the commission may enter into agreements with the United States or the Division of Forestry for the inclusion of timbered lands under the jurisdiction of the commission within a total parcel to be offered for timber harvesting contracts. The commission shall report to the Legislature by December 1 of each year, a summary of any actions taken pursuant to this section during the preceding 12 months, including any comments made by interested state agencies.

CHAPTER 608

An act to amend Section 1428b of the Penal Code, relating to courts.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 1428b of the Penal Code is amended to read:

1428b. (a) All papers and records filed or kept in criminal proceedings in municipal and justice courts, other than the docket and minutes, may, upon the order of the presiding judge of any such court, be destroyed after the expiration of the minimum retention period set forth in subdivision (b). The retention period shall be measured from the final determination of the proceeding or the forfeiture of bail in cases in which no other proceedings are had during a like period following such forfeiture.

(b) Minimum retention periods are as follows:

(1) Two years for cases involving alleged violations of Chapter 9 (commencing with Section 22500) of Division 11 of the Vehicle Code or of any local ordinance adopted pursuant thereto, relating to stopping, standing, or parking, for cases involving alleged violations of Division 14 (commencing with Section 30501) of the Food and Agricultural Code or of any local ordinance adopted pursuant thereto, relating to the regulation or licensing of dogs, and for cases involving alleged violations of subdivision (b) or (c) of Section 11357 or subdivision (c) of Section 11360 of the Health and Safety Code, relating to marijuana.

(2) Four years for infraction cases not specified by paragraph (1), and for misdemeanor cases involving alleged violations of the Vehicle Code other than Sections 20002, 23102, 23104, 23105, and 23106.

(3) Five years for all other cases.

(c) The minutes and docket shall be permanently retained in cases governed by paragraph (3) of subdivision (b). In other cases, the docket and minutes may be destroyed concurrently with other papers and records affecting the case.

CHAPTER 609

An act to amend Section 2147.6 of the Business and Professions Code, relating to foreign medical graduates, and making an appropriation therefor.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 2147.6 of the Business and Professions Code is amended to read:

2147.6. (a) Physicians, who are legally admitted to the United States of America, who seek postgraduate study in an approved

medical school either as a fellow, instructor, or exchange professor, may, after proper application to and approval by the board and receipt of an appointment from the dean of an approved medical school, be permitted by the board to participate in the professional activities of the department in the approved medical school to which they are appointed under the direction of the chairman of the department. Such permission granted by the board shall be for a period not in excess of five years, and must be renewed semiannually. Such renewal shall only be granted subject to the discretion of the board.

(b) Physicians, who are legally admitted to the United States of America on a temporary basis, who seek postgraduate study may, after application to and approval by the board, be permitted to participate in a fellowship program in a specialty or subspecialty field, providing the fellowship program is given in a hospital in the State of California approved by the Joint Committee on Accreditation and providing the service is satisfactory to the board. Such persons shall at all times be under the direction and supervision of a licensed, board-certified physician who is recognized as a clearly outstanding specialist in the field in which the foreign fellow is to be trained. The supervisor, as part of the application process, shall submit his curriculum vitae and a protocol of the fellowship program to be completed by the foreign fellow. Approval of the program and supervisor is to be for a period of one year, but may be renewed for another year upon application to and approval by the board. Such approval may not be renewed more than four times.

The board is authorized to determine a suitable fee, based on the cost of operating this program, which shall be paid by the applicant at the time application is filed.

(c) Except to the extent authorized by this section, no such visiting physician may treat the sick or afflicted or receive compensation therefor or otherwise engage in or offer to engage in the practice of medicine and surgery.

The time spent in an approved medical school pursuant to this section shall not be used to satisfy the requirements contained in Sections 2193 and 2193.5.

Nothing in this section shall preclude any United States citizen who has received his or her medical degree from a medical school located in a foreign country from participating in any program established pursuant to this section.

CHAPTER 610

An act to amend Section 395 of the Code of Civil Procedure, relating to support obligations.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 395 of the Code of Civil Procedure is amended to read:

395. (a) Except as otherwise provided by law and subject to the power of the court to transfer actions or proceedings as provided in this title, the county in which the defendants or some of them reside at the commencement of the action is the proper county for the trial of the action. If the action is for injury to person or personal property or for death from wrongful act or negligence, either the county where the injury occurs or the injury causing death occurs or the county in which the defendants, or some of them reside at the commencement of the action, shall be a proper county for the trial of the action. In a proceeding for dissolution of marriage, the county in which the petitioner has been a resident for three months next preceding the commencement of the proceeding is the proper county for the trial of the proceeding. In a proceeding to determine parental relation under Part 7 (commencing with Section 7000) of Division 4 of the Civil Code or to enforce an obligation of support under Section 196a of the Civil Code, the county in which the child resides is the proper county for the trial of the action. In a proceeding to establish and enforce a foreign judgment or court order for the support of a minor child, the county in which the child resides is the proper county for the trial of the action. Subject to the provisions of subdivision (b), when a defendant has contracted to perform an obligation in a particular county, either the county where such obligation is to be performed or in which the contract in fact was entered into or the county in which the defendant or any such defendant resides at the commencement of the action shall be a proper county for the trial of an action founded on such obligation, and the county in which such obligation is incurred shall be deemed to be the county in which it is to be performed unless there is a special contract in writing to the contrary. If none of the defendants reside in the state or if residing in the state and the county in which they reside is unknown to the plaintiff, the action may be tried in any county which the plaintiff may designate in his complaint, and, if the defendant is about to depart from the state, such action may be tried in any county where either of the parties reside or service is made. If any person is improperly joined as a defendant or has been made a defendant solely for the purpose of having the action tried in the county or judicial district where he resides, his residence shall not be considered in determining the proper place for the trial of the action.

(b) Subject to the power of the court to transfer actions or proceedings as provided in this title, in an action founded upon an obligation of the defendant for goods, services, loans or extensions of credit intended primarily for personal, family or household use, other than an obligation described in Section 1812.10 or Section

2984.4 of the Civil Code, the county in which the defendant in fact signed the contract, the county in which the defendant resided at the time the contract was entered into, or the county in which the defendant resides at the commencement of the action is the proper county for the trial thereof.

(c) If within any such county there is a municipal or justice court having jurisdiction of the subject matter established in the judicial district in which the defendant or any defendant resides, in which the injury to person or personal property or the injury causing death occurs, or, in the cases mentioned in subdivision (a), in which the obligation was contracted to be performed or, in cases mentioned in subdivision (b), in which the defendant in fact signed the contract, in which the defendant resided at the time the contract was entered into, or in which the defendant resides at the commencement of the action, then such court is the proper court for the trial of such action. Otherwise, any municipal or justice court in such county having jurisdiction of the subject matter is a proper court for the trial thereof.

(d) Any provision of an obligation described in subdivision (b) or (c) waiving the provisions of those subdivisions is void and unenforceable.

CHAPTER 611

An act relating to air transportation.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. That allocation of fifty-five thousand dollars ($55,000) applied for pursuant to Sections 21682, 21683, and 21684 of the Public Utilities Code to the County of San Mateo during the period July 1, 1975, to and including June 30, 1976, for airport assistance in connection with the San Carlos Airport is hereby authorized.

SEC. 2. The Legislature finds and declares that Section 1 of this act is necessary since special facts and circumstances applicable to the County of San Mateo, and not generally applicable, make the accomplishment of this purpose impossible by any general law. There is a dispute as to the validity of an allocation applied for by the County of San Mateo pursuant to Sections 21682, 21683, and 21684 of the Public Utilities Code for the purchase of approach areas of both north and south ends of San Carlos Airport in San Mateo County related to airport purposes based on a good faith expenditure of these funds by the County of San Mateo. The Legislature further finds and declares that this is the only such expenditure involved, that the

purpose of this act is impossible to accomplish by any general law, and that special legislation applicable only to the County of San Mateo is therefore necessary.

CHAPTER 612

An act to amend Sections 674.5 and 674.7 of the Code of Civil Procedure, relating to liens.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 674.5 of the Code of Civil Procedure is amended to read:

674.5. A certified copy of any judgment or order of the superior court of this state for spousal or child support, when recorded with the recorder of any county, shall from such recording become a lien upon all real property of the judgment debtor, not exempt from execution, in such county, owned by him at the time, or which he may afterwards and before the lien expires, acquire, for the respective amounts and installments as they mature (but shall not become a lien for any sum or sums prior to the date they severally become due and payable) which lien shall have, to the extent herein provided and for the period of 10 years from such recording, the same force, effect and priority as the lien created by recordation of an abstract of a money judgment pursuant to Section 674.

The certificate of the judgment debtor, or in the event of legal disability, the affidavit of the personal representative of the judgment debtor, certified by him under penalty of perjury, that all amounts and installments which have matured under said judgment prior to the date of such certificate have been fully paid and satisfied shall, when acknowledged and recorded, be prima facie evidence of such payment and satisfaction and conclusive in favor of any person dealing in good faith and for a valuable consideration with the judgment debtor or his successors in interest; however, if any amount of child support provided in a support order has been directed to be made to an officer designated by the court pursuant to Section 4702 of the Civil Code or any other provision of law and such directive is set forth in the copy of the recorded judgment or order, or in a recorded certified copy of an amended or supplemental order, such certificate shall not affect the lien unless also approved in writing by such designated officer.

Whenever a certified copy of any judgment or order of the superior court for spousal or child support has been recorded with the recorder of any county, the expiration or satisfaction thereof made in the manner of an acknowledgment of a conveyance of real

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property may be recorded.

SEC. 1.5. Section 674.7 of the Code of Civil Procedure is amended to read:

674.7. A certified copy of any judgment or order of the superior court of this state issued pursuant to Section 667.7, when recorded with the recorder of any county, shall from such recording become a lien upon all real property of the judgment debtor, not exempt from execution, in such county, owned by him at the time, or which he may afterwards and before the lien expires, acquire, for the respective amounts and installments as they mature (but shall not become a lien for any sum or sums prior to the date they severally become due and payable) which liens shall have, to the extent herein provided and for the period of 10 years from such recording, the same force, effect and priority as the lien created by recordation of an abstract of a money judgment pursuant to Section 674.

The certificate of the judgment debtor, or in the event of legal disability, the affidavit of the personal representative of the judgment debtor, certified by him under penalty of perjury, that all amounts and installments which have matured under said judgment prior to the date of such certificate have been fully paid and satisfied shall, when acknowledged and recorded, be prima facie evidence of such payment and satisfaction and conclusive in favor of any person dealing in good faith and for a valuable consideration with the judgment debtor or his successors in interest.

Whenever a certified copy of any judgment or order of the superior court issued pursuant to Section 667.7 has been recorded with the recorder of any county, the expiration or satisfaction thereof made in the manner of an acknowledgment of a conveyance of real property may be recorded.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because duties, obligations, or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 613

An act to amend Sections 3713, 4018, and 5156 of the Elections Code, relating to ballot measures.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 3713 of the Elections Code, as added by Chapter 248 of the Statutes of 1976, is amended to read:

3713. Whenever any ordinance is required by this article to be submitted to the voters of a county at any election, the county clerk shall cause the ordinance to be printed. A printed copy of the ordinance shall be mailed with a sample ballot, to each voter, at least 10 days prior to the election.

The county clerk may include in such mailing, as official matter, the provisions of the proposed ordinance, showing therein the difference from existing provisions of law, by the use of distinguishing type styles.

If such ordinance exceeds 1,000 words in length, the local legislative body may direct that a synopsis of the ordinance be prepared, to be mailed to the voters in lieu of the ordinance. The synopsis shall be prepared by the county counsel unless the ordinance affects the office of the county counsel, in which case the clerk shall prepare the synopsis. Immediately below the synopsis there shall be printed in 10-point bold type a legend substantially as follows:

"The above statement is a synopsis of Ordinance Number ____ and is not the complete text of such ordinance. If you desire a complete copy of the ordinance, return the enclosed prepaid postcard and a complete copy will be mailed at no cost to you."

If the clerk, at the direction of the legislative body, mails only a synopsis of an ordinance, the clerk shall enclose a postage-paid postcard which may be used by the voter to request a complete copy of the ordinance which shall be mailed to such voter with postage prepaid.

SEC. 2. Section 4018 of the Elections Code, as added by Chapter 248 of the Statutes of 1976, is amended to read:

4018. Whenever any ordinance or measure is required by this article to be submitted to the voters of a city at any election, the clerk of the legislative body shall cause the ordinance or measure to be printed. He shall mail a copy of the ordinance or measure with a sample ballot, to each voter at least 10 days prior to the election.

The legislative body may direct that its clerk include in such mailing, as official matter, the provisions of the proposed ordinance or measure, showing therein the difference from existing provisions of law, by the use of distinguishing type styles.

If such ordinance or measure exceeds 1,000 words in length, the local legislative body may direct that a synopsis of the ordinance be prepared, to be mailed to the voters in lieu of the ordinance. The synopsis shall be prepared by the city attorney unless the ordinance affects the office of the city attorney, in which case the clerk shall prepare the synopsis. Immediately below the synopsis there shall be printed in 10-point bold type a legend substantially as follows:

"The above statement is a synopsis of Ordinance or Measure Number ____ and is not the complete text of such ordinance or measure. If you desire a complete copy of the ordinance or measure,

return the enclosed prepaid postcard and a copy will be mailed at no cost to you."

If the clerk, at the direction of the legislative body, mails only a synopsis of an ordinance or measure, the clerk shall enclose a postage-paid postcard which may be used by the voter to request a complete copy of the ordinance or measure which shall be mailed to such voter with postage prepaid.

SEC. 3. Section 5156 of the Elections Code, as added by Chapter 248 of the Statutes of 1976, is amended to read:

5156. Whenever any ordinance is required by this article to be submitted to the voters of a district at any election, the clerk of the district board shall cause the ordinance to be printed. He shall mail a printed copy of the ordinance with a sample ballot, to each voter, at least 10 days prior to the election.

The district board may also direct that its clerk include in such mailing, as official matter, the provisions of the proposed ordinance, showing therein the difference from existing provisions of law, by the use of distinguishing type styles.

If such ordinance exceeds 1,000 words in length, the clerk may, at the direction of the local legislative body, prepare a synopsis of the ordinance and mail such synopsis in lieu of the ordinance, provided that immediately below such synopsis there shall be printed in 10-point bold type a legend substantially as follows:

"The above statement is a synopsis of Ordinance Number ____ and is not the complete text of such ordinance. If you desire a complete copy of the ordinance, return the enclosed prepaid postcard and a copy will be mailed at no cost to you."

If the clerk, at the direction of the legislative body, mails only a synopsis of an ordinance, the clerk shall enclose a postage-paid postcard which may be used by the voter to request a complete copy of the ordinance which shall be mailed to such voter with postage prepaid.

CHAPTER 614

An act to amend Section 18214 of the Health and Safety Code, relating to mobilehomes.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 18214 of the Health and Safety Code is amended to read:

18214. "Mobilehome park" is any area or tract of land where two or more mobilehome lots are rented or leased or held out for rent or lease to accommodate mobilehomes used for human habitation.

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The rental paid for any such mobilehome shall be deemed to include rental for the lot it occupies.

CHAPTER 615

An act to amend Section 11409.7 of the Government Code, relating to administrative regulations.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 11409.7 of the Government Code is amended to read:

11409.7. The department shall supply to each standing committee of both houses of the Legislature, a copy of each issue of the California Administrative Register which includes notices of proposed action, and any supplement thereto, published on or after the effective date of this section.

CHAPTER 616

An act to add Section 904.7 to the Penal Code, relating to grand juries.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 904.7 is added to the Penal Code, to read:

904.7. In any county having a population of 500,000 or more, but less than 558,000, as established by Section 28020 of the Government Code, the presiding judge of the superior court, upon approval of the board of supervisors, may order and direct the drawing and impanelment at any time of one additional grand jury for the purpose of inquiring into all public offenses committed or triable within the county and presenting them to the court by indictment. Any such additional grand jury may serve for a period of one year from the date of impanelment, but may be discharged at any time within such period by order of the presiding judge.

The selection of jurors for duty on the additional grand jury shall be made in the same random manner as for trial jurors.

Upon impanelment of such additional grand jury and during the term of its existence, the additional grand jury shall have exclusive jurisdiction over all matters within grand jury jurisdiction under the

law pertaining to the inquiry into public offenses and the presentation of indictments, but shall have no other duty or power.

Upon the discharge of such additional grand jury, the original grand jury shall regain entire jurisdiction over all matters of grand jury responsibility.

CHAPTER 617

An act to add Article 6 (commencing with Section 10251) to Chapter 1 of Division 5 of the Public Utilities Code, relating to injury to property.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Article 6 (commencing with Section 10251) is added to Chapter 1 of Division 5 of the Public Utilities Code, to read:

Article 6. Injury to Property

10251. Any person who injures or destroys, through want of proper care, any necessary or useful facility or equipment of any municipal corporation is liable to the municipal corporation for all damages sustained thereby. The measure of damages to the facility or equipment injured or destroyed shall be the cost to repair or replace the property injured or destroyed including direct and allocated costs for labor, materials, supervision, supplies, tools, taxes, transportation, administrative and general expense and other indirect or overhead expenses, less credit, if any, for salvage. The specifying of the measure of damages for the facility or equipment shall not preclude the recovery of such other damages occasioned thereby as may be authorized by law.

CHAPTER 618

An act to amend Section 5991 of the Education Code, relating to community colleges.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 5991 of the Education Code is amended to read:

5991. The governing board of any school district which maintains one or more high schools or community colleges may provide for the establishment and supervision of work experience education programs in areas outside the district.

CHAPTER 619

An act to amend Sections 11500, 11509, 11700, and 11705 of, and to add Sections 11509.1 and 11707 to, the Vehicle Code, relating to licenses, and making an appropriation therefor.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 11500 of the Vehicle Code is amended to read:

11500. It shall be unlawful for any person to act as an automobile dismantler without first having an established place of business which meets the requirements set forth in Section 11514 and without first having procured a license or temporary permit issued by the department, or when such license or temporary permit has been canceled, suspended, revoked, invalidated, expired, or the terms and conditions of an agreement effected pursuant to Section 11509.1 have not been fulfilled.

SEC. 2. Section 11509 of the Vehicle Code is amended to read:

11509. (a) The department, after notice and hearing, may suspend or revoke the license issued to an automobile dismantler upon the determination that the person to whom the license was issued is not lawfully entitled thereto or has committed any of the following acts:

(1) Has made or knowingly or negligently permitted any illegal use of the special plates issued to him.

(2) Used a false or fictitious name or knowingly made any false statement or concealed any material fact in any application or other document filed with the department.

(3) Failed to provide and maintain a clear physical division between the type of business licensed hereunder and any other type of business conducted at the established place of business.

(4) Has violated one or more terms and provisions of Division 3 (commencing with Section 4000) or any rules and regulations adopted pursuant thereto.

(5) Has violated any of the terms or provisions of Division 4 (commencing with Section 10500) or any rules and regulations adopted pursuant thereto.

(6) Has violated one or more terms and provisions of Chapter 3 (commencing with Section 11500) of Division 5 or any rules and regulations adopted pursuant thereto.

(7) Has violated one or more terms and provisions of Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code or any rules and regulations adopted thereto.

(8) Has been convicted of a felony or a crime involving moral turpitude.

(9) Has purchased, concealed, had in his possession, or otherwise acquired or disposed of a vehicle, knowing the same to be stolen.

(10) Has failed to meet and maintain the requirements for issuance of an automobile dismantler's license as provided in this code.

(11) Has failed to pay, within 30 days after written demand from the department, any fees or penalties due on vehicles acquired for dismantling which are not the subject of dispute. If the dismantler disputes the validity of such fees or penalties, the 30-day period shall not commence until the department, after review, has determined the fee or penalty to be due.

(12) Has submitted a check, draft, or money order to the department for any obligation or fees due the state and it is thereafter dishonored or refused payment upon presentation.

(13) Has failed to meet the terms and conditions of a previous agreement effected under the provisions of Section 11509.1.

(b) Any of the causes specified in Section 11503 as a cause for refusal to issue a license to an automobile dismantler applicant, shall be cause, after notice and hearing, to suspend or revoke a license and special plates issued to an automobile dismantler.

(c) Except as provided in Section 11509.1, every hearing as provided for in this chapter shall be held pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 3. Section 11509.1 is added to the Vehicle Code, to read:

11509.1. (a) The director may, following the filing of an accusation against a licensee under this chapter and prior to conducting a hearing pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, exercise an option, with the consent of the licensee, to enter into and adopt a stipulated penalty whereby the licensee agrees to accept the terms and conditions of such penalty without hearing or appeal by any party thereto.

(b) Except when the accusation alleges injury to, or fraud against, the public or the state, the director may, following the filing of an accusation against a licensee or prior to adopting any recommendations resulting from a hearing held pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, exercise an option, with the consent of the licensee, to impose and require the payment of a monetary penalty of a minimum and maximum amount for each

violation alleged and stipulated to by the licensee, as established by a schedule under regulations adopted pursuant to this code, without further hearing or appeal, and without any other form of penalty against the licensee which may otherwise have been imposed for the same offense or offenses had the matter proceeded to hearing or had the director adopted the decision of the hearing officer.

(c) Each compromise settlement agreement and each monetary payment agreement effected pursuant to this section shall be signed by the respondent licensee, the director, and the accuser, or by their authorized representatives, and filed with the Office of Administrative Hearings, together with the department's notice of withdrawal of the accusation upon which such action was initiated if the compromise settlement agreement or monetary payment agreement is effected before the hearing.

(d) Failure of the respondent to honor the terms and conditions of any agreement effected under this section will render such agreement null and void, and will be cause for action pursuant to Section 11509 in the same manner as the department may have otherwise proceeded notwithstanding such agreement.

The amount of the penalty provided for in subdivision (b) of this section shall not exceed one hundred fifty dollars ($150) and shall be based upon the nature of the violation and the seriousness of the effect of such violation upon the effectuation of the purposes and provisions of this chapter.

SEC. 4. Section 11700 of the Vehicle Code is amended to read:

11700. It shall be unlawful for any person to act as a dealer, manufacturer, or transporter, and, on and after July 1, 1974, it shall be unlawful for any person to act as a manufacturer branch, distributor, or distributor branch, without having first procured a license and special plates as required in Section 11701 or temporary permit issued by the department, or when such license or temporary permit issued by the department has been canceled, suspended, revoked, invalidated, expired, or the terms and conditions of an agreement effected pursuant to Section 11707 have not been fulfilled.

SEC. 5. Section 11705 of the Vehicle Code is amended to read:

11705. (a) The department, after notice and hearing, may suspend or revoke the license issued to a dealer, transporter, manufacturer, manufacturer branch, distributor, or distributor branch upon determining that the person to whom the license was issued is not lawfully entitled thereto, or has committed any of the following acts:

(1) Filed an application for the license thereafter issued using a false or fictitious name not registered with the proper authorities, or knowingly made any false statement or knowingly concealed any material fact, in the application for such license.

(2) Has made, or knowingly or negligently permitted, any illegal use of the special plates issued to such licensee.

(3) Has used a false or fictitious name, knowingly made any false

statement, or knowingly concealed any material fact, in any application for the registration of a vehicle, or otherwise committed a fraud in such application.

(4) Failed to deliver to a transferee lawfully entitled thereto a properly endorsed certificate of ownership.

(5) Has knowingly purchased, sold, or otherwise acquired or disposed of a stolen motor vehicle.

(6) Failed to provide and maintain a clear physical division between the type of business licensed pursuant to this chapter and any other type of business conducted at the established place of business.

(7) Has willfully violated any of the terms or provisions of Sections 3064 and 3065 or rules and regulations adopted pursuant thereto or adopted pursuant to Section 1651.

(8) Has violated one or more of the terms and provisions of Division 3 (commencing with Section 4000) or a rule or regulation adopted pursuant thereto, or Section 1651, or subdivision (a) of Section 38200.

(9) Has violated one or more of the terms and conditions of Division 4 (commencing with Section 10500) or the rules and regulations adopted pursuant thereto or adopted pursuant to Section 1651.

(10) Has violated one or more of the provisions of Article 1 (commencing with Section 11700) of Chapter 4 of Division 5 or rules and regulations adopted pursuant thereto or adopted pursuant to Section 1651.

(11) Has violated any of the terms or provisions of Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code or rules and regulations adopted pursuant thereto or adopted pursuant to Section 1651 of this code.

(12) Has violated any of the terms or provisions of Chapter 2b (commencing with Section 2981) of Title 14 of Part 4 of Division 3 of the Civil Code or the rules and regulations adopted pursuant thereto under the authority of Section 1651 of this code.

(13) Has submitted a check, draft, or money order to the department for any obligation or fee due the state and it is thereafter dishonored or refused payment upon presentation.

(14) Has caused any person to suffer any loss or damage by reason of any fraud or deceit practiced on him or fraudulent representations made to such person in the sale or purchase of a vehicle or parts or accessories thereof.

(15) Has violated any of the terms and conditions of Chapter 3 (commencing with Section 1797) of Title 1.7 of Part 4 of Division 3 of the Civil Code.

(16) Has violated any of the terms or provisions of Chapter 6 (commencing with Section 11950) of Division 5.

(17) Has failed to meet the terms and conditions of an agreement effected under the provisions of Section 11707.

For the purposes of this subdivision, the term "fraud" includes any

act or omission which is included within the definition of either "actual fraud" or "constructive fraud" as defined in Sections 1572 and 1573 of the Civil Code, and the term "deceit" has the same meaning as defined in Section 1710 of the Civil Code. In addition, the terms "fraud" and "deceit" include, but are not limited to, the following: a misrepresentation in any manner, whether intentionally false or due to gross negligence, of a material fact; a promise or representation not made honestly and in good faith; an intentional failure to disclose a material fact; any act falling within the provisions of Section 484 of the Penal Code.

(b) Any of the causes specified in Section 11703 as a cause for refusal to issue a license to a transporter, manufacturer, manufacturer branch, distributor, distributor branch, or dealer applicant shall be cause to suspend or revoke a license issued to a transporter, manufacturer, manufacturer branch, distributor, distributor branch, or dealer.

(c) Except as provided in Section 11707, every hearing as provided for in this section shall be pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 6. Section 11707 is added to the Vehicle Code, to read:

11707. (a) The director may, following the filing of an accusation against a licensee under this chapter and prior to conducting a hearing pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, exercise an option, with the consent of the licensee, to enter into and adopt a stipulated penalty whereby the licensee agrees to accept the terms and conditions of such penalty without hearing or appeal by any party thereto.

(b) Except when the accusation alleges injury to, or fraud against, the public or the state, the director may, following the filing of an accusation against a licensee or prior to adopting any recommendation resulting from a hearing held pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, exercise an option, with the consent of the licensee, to impose and require the payment of a monetary penalty of a minimum and maximum amount for each violation alleged and stipulated to by the licensee, as established by a schedule under regulations adopted pursuant to this code, without further hearing or appeal, and without any other form of penalty against the licensee which may otherwise have been imposed for the same offense or offenses had the matter proceeded to hearing or had the director adopted the decision of the hearing officer.

(c) Each compromise settlement agreement and each monetary penalty agreement effected pursuant to this section shall be signed by the respondent licensee, the director, and the accuser, or by their authorized representatives, and filed with the Office of Administrative Hearings, together with the department's notice of withdrawal of the accusation upon which such action was initiated if

the compromise settlement agreement or monetary payment agreement is effected before the hearing.

(d) Failure of the respondent to honor the terms and conditions of any agreement effected under this section shall render such agreement null and void, and will be cause for action pursuant to Section 11705 in the same manner as the department may have otherwise proceeded notwithstanding such agreement.

The amount of the penalty provided for in subdivision (b) of this section shall not exceed one hundred fifty dollars ($150) and shall be based upon the nature of the violation and the seriousness of the effect of such violation upon the effectuation of the purposes and provisions of this chapter.

CHAPTER 620

An act to amend Section 1081 of the Probate Code, relating to probate.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 1081 of the Probate Code is amended to read:

1081. At the time appointed, a trial of the facts must be by jury, as in the case of the contest of a will, unless a jury is waived as provided by the Code of Civil Procedure, or unless a jury is not requested and the first day's fees deposited at least five days prior to the date fixed for hearing on the original petition. If the jury is so waived or not so requested and the filing fees so deposited, the court shall hear the petition and any objection thereto that may have been presented, and shall determine who are the heirs of the decedent or entitled to distribution of the estate and shall specify their interests. Upon prior order of the court, the administrator or executor may file objections to the petition, and participate in the proceedings as a party in order to assist the court in its determination.

In any such trial the rules of procedure shall be those of the Code of Civil Procedure. Any depositions taken in accord with said code shall be admissible in evidence. Any claimant entering or reentering such proceedings shall be bound by evidence introduced and depositions taken prior to his entry into the proceeding or during his absence therefrom, except that he may in the discretion of the court have the right to examine any witness further if it be possible so to do.

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CHAPTER 621

An act to repeal Section 14117 of, and to add Article 3.5 (commencing with Section 14124.70) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 14117 of the Welfare and Institutions Code is repealed.

SEC. 2. Article 3.5 (commencing with Section 14124.70) is added to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 3.5. Third Party Liability

14124.70. As used in this article:

(a) "Director" means the Director of Benefit Payments.

(b) "Carrier" includes any insurer as defined in Section 23 of the Insurance Code, including any private company, corporation, mutual association, trust fund, reciprocal or interinsurance exchange authorized under the laws of this state to insure persons against liability or injuries caused to another, and also any insurer providing benefits under a policy of bodily injury liability insurance covering liability arising out of the ownership, maintenance or use of a motor vehicle which provides uninsured motorist endorsement or coverage, pursuant to Section 11580.2 of the Insurance Code.

(c) "Beneficiary" means any person who has received benefits or will be provided benefits under this chapter because of an injury for which another person may be liable. It includes such beneficiary's guardian, conservator or other personal representative, his estate or survivors.

14124.71. (a) When benefits are provided or will be provided to a beneficiary under this chapter because of an injury for which another person is liable, or for which a carrier is liable in accordance with the provisions of any policy of insurance issued pursuant to Insurance Code Section 11580.2, the director shall have a right to recover from such person or carrier the reasonable value of benefits so provided. The Attorney General, or counsel for the fiscal intermediary under the Medi-Cal Program with the permission of the Attorney General or a county through its civil legal adviser, may, to enforce such right, institute and prosecute legal proceedings against the third person or carrier who may be liable for the injury in an appropriate court, either in the name of the director or in the name of the injured person, his guardian, personal representative, estate, or survivors.

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(b) The director may:

(1) Compromise, or settle and release any such claim, or

(2) Waive any such claim, in whole or in part, for the convenience of the director, or if the director determines that collection would result in undue hardship upon the person who suffered the injury, or in a wrongful death action upon the heirs of the deceased.

(c) No action taken in behalf of the director pursuant to this section or any judgment rendered in such action shall be a bar to any action upon the claim or cause of action of the beneficiary, his guardian, personal representative, estate, dependents, or survivors against the third person who may be liable for the injury, or shall operate to deny to the beneficiary the recovery for that portion of any damages not covered hereunder.

14124.72. (a) Where an action is brought by the director pursuant to Section 14124.71, it shall be commenced within the period prescribed in Section 338 of the Code of Civil Procedure.

(b) The death of the beneficiary does not abate any right of action established by Section 14124.71.

(c) When an action or claim is brought by persons entitled to bring such actions or assert such claims against a third party who may be liable for causing the death of a beneficiary, any settlement, judgment or award obtained is subject to the director's claim for reimbursement of the benefits provided to the beneficiary under the Medi-Cal Program.

(d) Where the action or claim is brought by the beneficiary alone and the beneficiary incurs a personal liability to pay attorney's fees and costs of litigation, the director's claim for reimbursement of the benefits provided to the beneficiary shall be limited to the amount of the medical expenditures for the benefit of the beneficiary less 25 percent which represents the director's reasonable share of attorney's fees paid by the beneficiary and that portion of the cost of litigation expenses determined by multiplying by the ratio of the full amount of the expenditures to the full amount of the judgment, award, or settlement.

14124.73. (a) If either the beneficiary or the director brings an action or claim against such third person or carrier the beneficiary or the director shall within 30 days of filing the action give to the other written notice by personal service or registered mail of the action or claim, and of the name of the court or state or local agency in which the action or claim is brought. Proof of such notice shall be filed in such action or claim. If an action or claim is brought by either the director or the beneficiary, the other may, at any time before trial on the facts, become a party to, or shall consolidate his action or claim with the other if brought independently.

(b) If an action or claim is brought by the director pursuant to subdivision (a) of Section 14124.71, written notice to the beneficiary, guardian, personal representative, estate or survivor given pursuant to this section shall advise him of his right to intervene in the proceeding, his right to obtain a private attorney of his choice, and

the director's right to recover the reasonable value of the benefits provided.

14124.74. In the event of judgment or award in a suit or claim against such third party or carrier,

(a) If the action or claim is prosecuted by the beneficiary alone, the court or agency shall first order paid from any judgment or award the reasonable litigation expenses incurred in preparation and prosecution of such action or claim, together with reasonable attorney's fees, when an attorney has been retained. After payment of such expenses and attorney's fees the court or agency shall, on the application of the director, allow as a first lien against the amount of such judgment or award, the amount of the director's expenditures for the benefit of the beneficiary under the Medi-Cal Program, as provided in subdivision (d) of Section 14124.72.

(b) If the action or claim is prosecuted both by the beneficiary and the director, the court or agency shall first order paid from any judgment or award, the reasonable litigation expenses incurred in preparation and prosecution of such action or claim, together with reasonable attorney's fees based solely on the services rendered for the benefit of the beneficiary. After payment of such expenses and attorney's fees, the court or agency shall apply out of the balance of such judgment or award an amount sufficient to reimburse the director the full amount of benefits paid on behalf of the beneficiary under the Medi-Cal Program.

14124.75. The court or agency shall, upon further application at any time before the judgment or award is satisfied, allow as a further lien the amount of any expenditures of the director in payment of additional benefits arising out of the same cause of action or claim provided on behalf of the beneficiary under the Medi-Cal Program, where such benefits were provided or became payable subsequent to the original order.

14124.76. No judgment, award, or settlement in any action or claim by a beneficiary to recover damages for injuries, where the director has an interest, shall be satisfied without first giving the director notice and a reasonable opportunity to perfect and satisfy his lien.

14124.77. When the director has perfected a lien upon a judgment or award in favor of a beneficiary against any third party for an injury for which the beneficiary has received benefits under the Medi-Cal Program, the director shall be entitled to a writ of execution as lien claimant to enforce payment of said lien against such third party with interest and other accruing costs as in the case of other executions. In the event the amount of such judgment or award so recovered has been paid to the beneficiary, the director shall be entitled to a writ of execution against such beneficiary to the extent of the director's lien, with interest and other accruing costs as in the case of other executions.

14124.78. Except as otherwise provided in this article, notwithstanding any other provision of law, the entire amount of any

settlement of the injured beneficiary's action or claim, with or without suit, is subject to the director's claim for reimbursement of the benefits provided and any lien filed pursuant thereto, but in no event shall the director's claim exceed one-half of the beneficiary's recovery after deducting for attorney's fees, litigation costs, and medical expenses relating to the injury paid for by the beneficiary.

14124.79. In the event that the beneficiary, his guardian, personal representative, estate or survivors or any of them brings an action against the third person who may be liable for the injury, notice of institution of legal proceedings, notice of settlement and all other notices required by this code shall be given to the director in Sacramento except in cases where the director specifies that notice shall be given to the Attorney General. All such notices shall be given by the attorney retained to assert the beneficiary's claim, or by the injured party beneficiary, his guardian, personal representative, estate or survivors, if no attorney is retained.

CHAPTER 622

An act to amend Section 19801 of the Business and Professions Code, relating to bread.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 19801 of the Business and Professions Code is amended to read:

19801. A "standard small loaf" of bread shall weigh eight ounces (½ lb.) net weight; provided any bakery may bake, and sell upon the premises where baked, loaves of bread which weigh less than eight ounces, net, avoirdupois.

CHAPTER 623

An act to add Section 52.5 to the Military and Veterans Code, relating to the California National Guard.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 52.5 is added to the Military and Veterans Code, to read:

52.5. The Commanding General of the State Military Forces may

enter into agreements to provide for joint and several liability and indemnity to private agencies and persons for injuries to third parties arising out of a negligent act or omission by a member of the California National Guard while involved in on-the-job training.

CHAPTER 624

An act to repeal and add Section 2002 of the Business and Professions Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 2002 of the Business and Professions Code is repealed.

SEC. 2. Section 2002 is added to the Business and Professions Code, to read:

2002. All administrative proceedings which are not final prior to December 12, 1975, shall be brought to a final determination under the procedures set forth in the Medical Practice Act, as amended and effective on December 12, 1975, and as thereafter amended by the Legislature.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit administrative hearings commenced prior to recent amendments to the Medical Practice Act to be continued and concluded in an orderly fashion, consistently with recent amendments to the Medical Practice Act, it is necessary that this act go into effect immediately.

CHAPTER 625

An act to amend Section 361 of the Streets and Highways Code, relating to state highways.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976]

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

03783 28 12315 219

SECTION 1. Section 361 of the Streets and Highways Code is amended to read:

361. Route 61 is from Route 84 near Newark to Route 17 near Albany via the vicinity of San Leandro and Oakland International Airport and via Alameda.

No portion of Route 61 shall be constructed as a freeway north of Hegenberger Road.

CHAPTER 626

An act to amend Section 20767 of the Business and Professions Code, relating to motor vehicle fuel pump license fees and making an appropriation therefor.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 20767 of the Business and Professions Code is amended to read:

20767. (a) Application for a motor fuel pump license shall be filed with the department by the owner or operator of each such pump, container used as a dispensing device, or other dispensing device on a form prescribed and furnished by the department. The application shall be accompanied by a license fee of five dollars ($5) for each pump, container used as a dispensing device, or other dispensing device. Applications for the renewal of a motor fuel pump license for each fiscal year beginning July 1st shall be made on or before the last day of June next preceding.

(b) After compliance by the owner or operator with the provisions of Section 20766 and 20767, the department shall grant and issue to each applicant a license for each separate place of business within the state. The license shall be valid only for the location for which it is issued and for the transaction of business at the place and the number of dispensing devices designated on the license and is not assignable or transferable to any other location. The license shall at all times be conspicuously and prominently displayed at the location for which the license is issued.

CHAPTER 627

An act to add Sections 31681.53 and 31739.33 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

03920 28 12360 228

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

SECTION 1. Section 31681.53 is added to the Government Code, to read:

31681.53. (a) Except as provided in subdivision (b), a retirement allowance or optional death allowance, including an allowance payable to a survivor of a member, payable to or on account of any member of this system or of a superseded system who has been or was retired for service which did not on July 1, 1976 exceed five hundred dollars ($500) per month is hereby increased as follows:

Number of years of county or district service	Percentage of increase in monthly retirement allowance
25 or more years	10%
20–25 years	8%
15–20 years	6%

(b) No allowance shall be increased to more than five hundred dollars ($500) per month pursuant to subdivision (a).

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by majority vote, make the provisions of this section applicable in such county.

SEC. 2. Section 31739.33 is added to the Government Code, to read:

31739.33. (a) Except as provided in subdivision (b), a retirement allowance, optional death allowance or annual death allowance, including an allowance payable to a survivor of a member, payable to or on account of any member of this system or of a superseded system who has been or was retired for disability which did not on July 1, 1976 exceed five hundred dollars ($500) per month is hereby increased as follows:

Number of years of county or district service	Percentage of increase in monthly retirement allowance
25 or more years	10%
20–25 years	8%
15–20 years	6%

(b) No allowance shall be increased to more than five hundred dollars ($500) per month pursuant to subdivision (a).

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by majority vote, make the provisions of this section applicable in such county.

CHAPTER 628

An act to amend Section 1437 of the Health and Safety Code, relating to long-term health care facilities.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 1437 of the Health and Safety Code is amended to read:

1437. If a skilled nursing facility or intermediate care facility, or an applicant for a license upon a change of ownership for an existing facility, has not been previously licensed pursuant to Chapter 2 (commencing with Section 1250), the state department may only provisionally license such facility as provided in this section. A provisional license to operate a skilled nursing facility or intermediate care facility shall terminate six months from the date of issuance. Within 30 days of the termination of a provisional license, the state department shall give such facility a full and complete inspection, and, if the facility meets all applicable requirements for licensure, a regular license shall be issued. If the skilled nursing facility or intermediate care facility does not meet the requirements for licensure but has made substantial progress towards meeting such requirements, as determined by the state department, the initial provisional license shall be renewed for six months. If the state department determines that there has not been substantial progress towards meeting licensure requirements at the time of the first full inspection provided by this section, or, if the state department determines upon its inspection made within 30 days of the termination of a renewed provisional license that there is lack of full compliance with such requirements, no further license shall be issued.

If an applicant for a provisional license to operate a skilled nursing facility or intermediate care facility has been denied provisional licensing by the state department, he may contest such denial by filing a statement of issues, as provided in Section 11504 of the Government Code, and the proceedings to review such denial shall be conducted pursuant to the provisions of Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2 of the Government Code.

General acute care hospitals, or other facilities, except skilled nursing and intermediate care facilities, licensed under Chapter 2 (commencing with Section 1250), having a skilled nursing or intermediate care facility unit as a distinct part of the hospital or licensed facility shall be exempt from the requirements of this section.

CHAPTER 629

An act to amend Sections 31652 and 31831.1 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 31652 of the Government Code is amended to read:

31652. (a) Any member may redeposit in the retirement fund, prior to filing an application for retirement, by lump sum payment or by installment payments over a period of one year or for a longer time upon approval of the board, an amount equal to all of the accumulated normal contributions which he has withdrawn, plus regular interest thereon from the date of separation from the retirement system, and his membership is the same as if unbroken by such termination. Except as provided in this section his rate of contribution shall be based on age at the nearest birthday at time of reentrance into the system. If he does not redeposit all of the accumulated normal contributions previously withdrawn he shall be considered as a new member without credit for any previous service.

"Regular interest" as used in this section shall mean that amount of interest which would have been credited to the account of the member on the amount to be deposited at the interest rates established for the system if the contributions required by this section had been on deposit from the date of reentrance into the retirement system until the amount required to be deposited has been paid.

(b) Any member who left county service on or before December 31, 1971, and thereafter again became a member of the county system which he left and (1) who did not withdraw his accumulated normal contributions, or (2) who elected to leave his accumulated normal contributions on deposit pursuant to Article 9 (commencing with Section 31700), or (3) who redeposited or redeposits withdrawn accumulated normal contributions plus interest as authorized in this section, shall be eligible for all benefits granted a member entering a reciprocal retirement system under Article 15 (commencing with Section 31830), including the benefits granted to members who left their accumulated contributions on deposit or who redeposited their accumulated contributions pursuant to Section 31831.1. This paragraph shall not be applicable to any member entering service after December 31, 1977.

(c) Any member who left county service on or after January 1, 1972, and who within 90 days thereafter again became a member of the county system which he left and (1) who did not withdraw his accumulated normal contributions, or (2) who elected to leave his

accumulated normal contributions on deposit pursuant to Article 9 (commencing with Section 31700), or (3) who redeposits or redeposited his withdrawn accumulated normal contributions plus interest as authorized by Section 31652 within 180 days after leaving county service, shall be eligible for all benefits granted a member entering a reciprocal retirement system under Article 15 (commencing with Section 31830), except that Section 31831.1 shall not apply to such members.

(d) This section shall not apply to members who are retired or who are not in service of an employer making him a member of this system.

SEC. 2. Section 31831.1 of the Government Code is amended to read:

31831.1. Any member who left county or district service on or before December 31, 1971, and became a member of a retirement system established under this chapter in another county or of the Public Employees' Retirement System, who did not elect to, or was not eligible to, leave his contributions on deposit pursuant to Article 9 (commencing with Section 31700) may now elect to leave his accumulated contributions on deposit pursuant to Article 9 (commencing with Section 31700) by redepositing in the retirement fund of the county or district he left the amount of accumulated contributions and interest he withdrew from such retirement fund plus regular interest thereon from date of separation.

Any such member whose accumulated contributions are on deposit as provided in this section and any other member who left county or district service on or before December 31, 1971, who became a member of a retirement system established under this chapter in another county or of the Public Employees' Retirement System and who elected to leave his accumulated contributions on deposit pursuant to Article 9 (commencing with Section 31700) shall be eligible for the benefits provided in this article, and for purposes of such benefits shall be deemed to have entered membership in such other system within 90 days of his separation from county or employment. The deferred retirement allowance for such member shall be determined in accordance with the provisions of this chapter applicable to members retiring directly from county employment on the date of his retirement. Any member who qualifies for a reduced age at entry pursuant to this section shall be entitled to use such age only from and after the date he completes the redeposit as provided in this section or, if he elected to leave his accumulated contributions on deposit pursuant to Article 9 (commencing with Section 31700), from and after the date he notifies the board in writing that he desires the benefits of this section. This section shall not apply to members who are retired or who are not in service of an employer making him a member of a retirement system established under this chapter or of the Public Employees' Retirement System.

Unless this chapter expressly provides to the contrary the retirement allowance received by a member pursuant to this section

shall be calculated based upon the laws pertaining to the retirement system of such district or county as of the date of retirement and not the laws pertaining to such system as of the date the member first left county or district service.

This section shall not be applicable to any member entering service after December 31, 1977.

CHAPTER 630

An act to amend Section 5008.6 of the Public Resources Code, relating to the state park system.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 5008.6 of the Public Resources Code is amended to read:

5008.6. (a) The department shall conduct a three-year experimental program from January 1, 1976, to January 1, 1979, in which it shall issue an annual permit to the registered owner of a self-contained recreational vehicle, including but not limited to camp trailers, travel trailers, motor homes, campers, and house cars, upon such person's application therefor and payment of a fee in the amount of twenty-five dollars ($25), which will allow the person to park his self-contained recreational vehicle overnight at designated coastal beach parking areas that are a part of the state park system operated by the department, except during the months of June, July, and August. Such permit shall be in the form of a sticker which shall be affixed and displayed upon the outside of the self-contained recreational vehicle. The director shall prescribe, by regulation, the designated coastal beach parking areas where persons with such permits are to park, the procedure for permit application and fee collection, the form and content of the permit, the location and manner of its display, and any other matters deemed by the director to be necessary or desirable in carrying out the provisions of this section, including, but not limited to, restrictions on the length of stay at any one location or the periods when the permit is used in conjunction with day use facilities. The director shall designate such coastal beach parking areas under the program on or before December 31, 1976, and there shall be no additional areas designated nor any intensification of use of any designated area after December 31, 1976.

(b) For purposes of this section, "overnight" means the period of time from one hour before sunset to 9 a.m.

(c) "Self-contained recreational vehicle" is one designed for human habitation, and equipped with plumbing and built-in

equipment, including, but not limited to, kitchen and toilet fixtures, water storage tank for potable water, and sewage holding tank.

(d) Notwithstanding the provisions of Section 5010, the permit fees collected pursuant to this section shall be deposited in the State Treasury to the credit of the State Beach Overnight Parking Fund, which fund is hereby created. The moneys in the State Beach Overnight Parking Fund shall, when appropriated by the Legislature, be used for the purpose of administering the program, providing facilities and protection for persons parking overnight under the permit issued pursuant to this section.

This section shall remain in effect until January 1, 1979, and as of that date is repealed.

CHAPTER 631

An act to amend Sections 33202, 34120, 34286, 34290, and 34292 of, and to add Section 34120.5 to, the Health and Safety Code, relating to housing and community development, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 1976. Filed with Secretary of State August 27, 1976.]

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

SECTION 1. Section 33202 of the Health and Safety Code is amended to read:

33202. If a community redevelopment commission is created as provided in Section 33201, its functions shall be to prepare a redevelopment plan for each project area, hold and conduct hearings thereon, adopt and submit such plan, together with a report, to the legislative body, pursuant to all of the provisions, requirements and procedures of Article 4 (commencing with Section 33330) of Chapter 4 of this part; and the agency, in such case, shall not be required to perform such functions. The legislative body may additionally delegate any of its functions as the governing body of the agency to the community redevelopment commission.

SEC. 2. Section 34120 of the Health and Safety Code is amended to read:

34120. (a) The legislative body may, at the time of the adoption of an ordinance declaring that there is a need for a commission to function in the community or at any time thereafter, by adoption of an ordinance, declare itself to be the commission in which case, all the rights powers, duties, privileges and immunities, vested by this part in a commission, except as otherwise provided in this part, shall be vested in the legislative body of the community.

(b) If the legislative body has declared itself to be the commission, the legislative body shall appoint two additional commissioners who

are tenants of the housing authority if the housing authority has tenants. One such tenant commissioner shall be over 62 years of age if the housing authority has tenants of such age. If the housing authority does not have tenants, the legislative body shall, by ordinance, provide for the appointment to the commission of two tenants of the housing authority, one of whom shall be over 62 years of age if the housing authority has tenants of such age, within one year after the housing authority first does have tenants. The term of any tenant appointed pursuant to this subdivision shall be two years from the date of appointment. If a tenant commissioner ceases to be a tenant of the housing authority, he shall be disqualified from serving as a commissioner and another tenant of the housing authority shall be appointed to the remainder of the unexpired term. A tenant commissioner shall have all the powers, duties, privileges, and immunities of any other commissioner.

(c) As an alternative to the appointment of tenants of the housing authority as commissioners pursuant to subdivision (b), if a community development committee is created as provided in Section 34120.5, the governing body may make tenant appointments pursuant to subdivision (b) to the committee, rather than to the commission.

SEC. 3. Section 34120.5 is added to the Health and Safety Code, to read:

34120.5. (a) A legislative body which has declared itself to be the commission pursuant to Section 34120 may, by ordinance, create a community development committee of not more than seven members, or not more than nine members if tenant appointments are made pursuant to Section 34120. The terms of office, qualifications, and method of appointment and removal shall be as provided by ordinance.

(b) If a community development committee is created, its function shall be to review and make recommendations on all matters to come before the commission prior to commission action, except emergency matters, and matters which the committee, by resolution, excludes from committee review and recommendation. The legislative body may provide for procedures for review and recommendation, and for further functions of the committee, by ordinance or resolution, and may delegate any of its functions as the community development commission to the committee.

SEC. 4. *Section 34286 of the Health and Safety Code is amended* to read:

34286. Any tenant shall be eligible for appointment as a tenant commissioner of any authority if such person is a tenant in any housing provided by or through such authority pursuant to the provisions of this part, the Temporary Housing Projects Law, Part 4 (commencing with Section 35450) of, or the Farm Labor Center Law, Part 7 (commencing with Section 36050) of, this division. Any tenant shall also be eligible for appointment as one of the commissioners not required to be a tenant commissioner, with all the

rights, powers, duties, privileges, and immunities of any other commissioner.

SEC. 5. Section 34290 of the Health and Safety Code is amended to read:

34290. (a) As an alternative to the appointment of commissioners of the authority, the governing body of any county or city, at the time of the adoption of a resolution pursuant to Section 34240 of this chapter or at any time thereafter, may declare itself to be the commissioners of the authority, in which case, all the rights, powers, duties, privileges and immunities, vested by this chapter in the commissioners of an authority, except as otherwise provided in this article, shall be vested in the governing body.

(b) If the governing body of any county or city has declared itself to be the commissioners of the authority, the governing body shall also appoint two tenants of the authority as commissioners if the authority has tenants, or within one year after the authority first does have tenants. One tenant commissioner shall be over 62 years of age if the authority has tenants of such age. Tenant commissioners appointed pursuant to this subdivision shall serve, and their successors shall be appointed, as provided in Section 34272.

(c) As an alternative to appointment of tenants of the authority as commissioners of the authority pursuant to subdivision (b), if a housing commission is created as provided in Section 34291 and does not have more than seven commissioners, the governing body may make tenant appointments pursuant to subdivision (b) to the commission rather than to the authority. In communities where the housing commission also serves as the community redevelopment commission under Section 33201 and has no more than nine members, the governing body may make tenant appointments pursuant to subdivision (b) to such joint commission rather than to the authority.

If a housing commission has more than seven members, or nine members in the case of a joint housing commission and community redevelopment commission, the governing body may, by ordinance, reorganize an existing housing commission by dissolving and appointing the housing commission in order to reduce the number of members of the commission to seven or fewer members, or nine or fewer members, in the case of a joint housing commission and community redevelopment commission, so that the purposes of this subdivision may be carried out.

(d) A tenant commissioner shall have all the rights, powers, duties, privileges, and immunities of any other commissioner.

SEC. 6. Section 34292 of the Health and Safety Code is amended to read:

34292. If a housing commission is created as provided in Section 34291, its function shall be to review and make recommendations on all matters to come before the authority prior to authority action, except emergency matters and matters which the commission, by resolution, excludes from commission review and recommendation.

The governing body may provide for procedures for review and recommendation, and for further functions of the commission, by ordinance or resolution, and may delegate any of its functions as commission of the housing authority to the housing commission created pursuant to Section 34291.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to prevent disruption of local mechanisms for securing a broad community viewpoint in those counties and cities with unified policymaking in the areas of redevelopment and housing, and in order to provide for the efficient management of redevelopment agencies and housing authorities administered by a city council or board of supervisors, it is necessary that this act go into effect as soon as possible.

CHAPTER 632

An act to amend Sections 55523, 55527, 55605, 55862, 55863, 55901, 56161, 56181, 56188, 56189, 56194, 56252, 56253, 56271, 56275, 56277, 56301, 56331, 56441, 56442, 56572, 56610, and 56631 of, to add Sections 55435.5, 55609.1, 55611, 55724, 55880, 56133.5, 56255, and 56279 to, and to repeal and add Section 56272 to, the Food and Agricultural Code, relating to agriculture, and making an appropriation therefor.

[Approved by Governor August 26, 1976 Filed with Secretary of State August 27, 1976]

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

SECTION 1. Section 55435.5 is added to the Food and Agricultural Code, to read:

55435.5. (a) Except with the approval of the director, no person licensed under the provisions of this chapter shall employ any person, who is or has been responsibly connected with any such licensee:

(1) Whose license has been revoked or is currently suspended by the director;

(2) Who has been found after notice and opportunity for hearing to have committed any flagrant or repeated violation of this chapter or Chapter 7 (commencing with Section 56101) of this division. This provision shall not apply to any case in which the license of the person found to have committed such violation was suspended and the suspension period has expired or is not in effect; or

(3) Against whose bondsman or bondsmen a claim or claims have been collected by the director pursuant to any provision of this chapter, or Chapter 7 (commencing with Section 56101), or licensee

against whom claims have been filed and adjudicated, and that has not made full settlement with all farm products creditors.

(b) The director may approve employment of any person covered under paragraph (1), (2), or (3) of subdivision (a), if the licensee furnishes and maintains a surety bond in form and amount satisfactory to the director, and shall not be less than ten thousand dollars ($10,000), as assurance that such licensee's business will be conducted in accordance with this chapter and that the licensee will pay all amounts due California producers. The director may approve employment without a surety bond after the expiration of four years from the effective date of the applicable disciplinary order. The director, based on changes in the nature and volume of business conducted by the licensee, may require an increase or authorize a reduction, in the amount of the bond, but in no case shall the bond be reduced below ten thousand dollars ($10,000). A licensee who is notified by the director to provide a bond in an increased amount shall do so within a reasonable time to be specified by the director, and if the licensee fails to do so, the approval of employment shall automatically terminate. The director may, after 30 days' notice and an opportunity for a hearing, suspend or revoke the license of any licensee who, after the date given in such notice, continues to employ any person in violation of this section.

SEC. 2. Section 55523 of the Food and Agricultural Code is amended to read:

55523. Each application shall state all of the following:

(a) The full name of the applicant.

(b) If the applicant is a firm, exchange, association, or corporation the full name of each member of the firm, or the names of the officers of the exchange, association, or corporation.

(c) The principal business address of the applicant in this state.

(d) The name of every person that is authorized to receive and accept service of summons for the applicant.

(e) In addition to the other requirements of this chapter, each applicant for a license shall include a balance sheet, or statement of financial position, which presents fairly the financial condition as of the applicant's most recent yearend. Such financial statement if not prepared by a public accountant or certified public accountant shall be on a form prescribed by the director and shall be submitted under penalty of perjury. Any balance sheet submitted which does not provide the detail required by the director may be rejected until such detail is provided.

(f) If at any time the director has cause or reason to believe that any licensee is in an unsound financial condition so as to impair his ability to pay consignor-creditors or producer-creditors in full for farm products received or handled, or for any reason deems it advisable, he may require such licensee to file with him a balance sheet or statement of financial position, which presents fairly the financial condition of such licensee. Such financial statement, if not prepared by a public accountant or certified public accountant, shall

be on a form prescribed by the director and shall be submitted under penalty of perjury. Any balance sheet submitted which does not provide the detail required by the director may be rejected until such detail is provided.

(g) Failure to file a financial statement as required by this chapter is a violation of this chapter.

SEC. 3. Section 55527 of the Food and Agricultural Code is amended to read:

55527. Previous conviction of a felony, or previous violation of this chapter may be considered by the director as adverse to a showing of such character, responsibility, or good faith on the part of any applicant, or on the part of any manager, superintendent, director, or officer of an applicant corporation, or on the part of any superintendent, manager, or member of an applicant partnership. The same considerations are applicable to an individual applicant who has previously been in a responsible or managing position with a corporation or partnership which has suffered revocation or suspension of license by reason of violation of this chapter or by reason of violation of Chapter 7 (commencing with Section 56101) of this division.

SEC. 4. Section 55605 of the Food and Agricultural Code is amended to read:

55605. Every processor, except a licensed winegrower, that receives any farm product from the producer of the farm product for processing on a consigned basis shall promptly make and keep a correct record which shows in detail all of the following with reference to the processing, handling, storage, and sale of such farm product:

(a) The name and address of the consignor.

(b) The date received.

(c) The quantity received.

(d) The size of the containers into which the finished product is packed.

(e) The grade and quality of the finished product.

(f) The price which is obtained from the sale of the finished product.

(g) An itemized statement of costs and charges which the processor paid in connection with the processing, handling, storage, and sale of the farm product. Any services rendered for which charges are made, if not filed with the director, shall be charged at cost, if not covered by a written contract. Cost-supporting data shall be available for verification.

SEC. 5. Section 55609.1 is added to the Food and Agricultural Code, to read:

55609.1. Remittance in full of the amount which is realized from such sales, including all collections, overcharges, and damages, less the agreed commission and other charges, together with a complete account of sales, shall be made to the consignor within 10 days after receipt of the moneys by the consignee, unless otherwise agreed in writing.

The burden of proof is upon the consignee to prove the correctness of his accounting as to any transaction which may be questioned.

SEC. 6. Section 55611 is added to the Food and Agricultural Code, to read:

55611. All records required to be kept under this chapter shall be kept for a period of four years.

SEC. 7. Section 55724 is added to the Food and Agricultural Code, to read:

55724. (a) Every licensee shall prepare and preserve the accounts, records, and memoranda required by this chapter which shall fully and correctly disclose all transactions involved in his business. Licensees shall keep records which are adapted to the particular business that the licensee is conducting and in each case such record shall fully disclose all transactions in the business in sufficient detail as to be readily understood and audited. Minimum records required under this chapter are:

1. A record of cash received.
2. A record of cash disbursed.
3. A general ledger or its equivalent.
4. A record of amounts due California producers.
5. A record of amounts due others.

(b) Every licensee shall prepare and preserve records and memoranda required by this chapter which shall fully and correctly disclose the true ownership and management of such business.

SEC. 8. Section 55862 of the Food and Agricultural Code is amended to read:

55862. (a) If any processor does not apply for the renewal of a preexisting license on or before the date of expiration of the license, a penalty of twenty-five dollars ($25) shall be added to the fee provided for under Section 55861 or 55861.5. Such penalty is applicable only during the 30-day period immediately following the license expiration date and shall entitle the applicant to 30 days from the date of the penalty payment to complete the application. If the application is not completed within such time, the application shall be denied and all fees retained by the director.

(b) A new applicant shall have 30 days from the date of filing the application form and payment of the fee to complete the application. After the 30-day period has elapsed, if the application remains incomplete, such application may be denied and the application fee may be retained by the director.

SEC. 9. Section 55863 of the Food and Agricultural Code is amended to read:

55863. Any person that is licensed as processor pursuant to this chapter may secure a license pursuant to Chapter 7 (commencing with Section 56101) of this division by filing an application fee of twenty dollars ($20) and upon further complying with those provisions of Chapter 7 (commencing with Section 56101) of this division which regulate the licensing of each particular classification involved.

SEC. 10. Section 55880 is added to the Food and Agricultural Code, to read:

55880. It is a violation of this chapter if the licensee or applicant has failed or refused to file with the director a schedule of his charges for services in connection with any farm product which is handled on account of, or as agent for another. Any services rendered for which charges are made, if not filed with the director, shall be charged at cost, if not covered by a written contract. Cost-supporting data shall be available for verification.

SEC. 11. Section 55901 of the Food and Agricultural Code is amended to read:

55901. Any misdemeanor which is prescribed by this article is punishable by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000), or by imprisonment in the county jail for not more than one year, or by both fine and imprisonment.

SEC. 12. Section 56133.5 is added to the Food and Agricultural Code, to read:

56133.5. (a) Except with the approval of the director, no person licensed under the provisions of this chapter shall employ any person, who is or has been responsibly connected with any licensee:

(1) Whose license has been revoked or is currently suspended by the director;

(2) Who has been found after notice and opportunity for hearing to have committed any flagrant or repeated violation of this chapter or Chapter 6 (commencing with Section 55401). This provision will not apply to any case in which the license of the person found to have committed such violation was suspended and the suspension period has expired or is not in effect; or

(3) Against whose bondsman or bondsmen a claim or claims have been collected by the director pursuant to any provision of this chapter, or Chapter 6 (commencing with Section 55401), or any licensee against whom claims have been filed and adjudicated, and that has not made full settlement with all farm products creditors.

(b) The director may approve such employment of any person covered by paragraphs (1), (2), or (3) of subdivision (a) if the licensee furnishes and maintains a surety bond in form and amount satisfactory to the director, and shall not be less than ten thousand dollars ($10,000), as assurance that such licensee's business will be conducted in accordance with this chapter and that the licensee will pay all amounts due farm products creditors. The director may approve employment without a surety bond after the expiration of four years from the effective date of the applicable disciplinary order. The director, based on changes in the nature and volume of business conducted by the licensee, may require an increase or authorize a reduction, in the amount of the bond, but in no case shall the bond be reduced below ten thousand dollars ($10,000). A licensee who is notified by the director to provide a bond in an

increased amount shall do so within a reasonable time to be specified by the director, and if the licensee fails to do so, the approval of employment shall automatically terminate. The director may, after 30 days' notice and an opportunity for a hearing, suspend or revoke the license of any licensee who, after the date given in such notice, continues to employ any person in violation of this section.

SEC. 13. Section 56161 of the Food and Agricultural Code is amended to read:

56161. This chapter does not apply to or include any of the following:

(a) Any nonprofit cooperative association which is organized and operating pursuant to Chapter 1 (commencing with Section 54001) of this division or similar law of any other state, the District of Columbia, or the United States, or the agents of such organizations in the performance of their duties as such, except as to that portion of the activities of such organization, or agent, which involves the handling or dealing in any farm product of any nonmember of such organization.

(b) Any person or exchange that buys, receives, or otherwise handles any farm product as a processor, as that term is defined in Section 55407.

(c) Any retail merchant that has a fixed or established place of business in this state. This exemption of retail merchants does not, however, apply to retail merchants that also are engaged in the business of selling at wholesale any farm product which is purchased from a producer, dealer, broker, or commission merchant, to any transaction wherein possession of any farm product is obtained from a producer, dealer, broker, or commission merchant and the farm product is sold to another person without being handled in the regular course of a retail business which is conducted at a fixed and established place of business.

(d) Any person that buys any farm product for his own use or consumption.

SEC. 14. Section 56181 of the Food and Agricultural Code is amended to read:

56181. Except as otherwise provided in Section 55610, any person engaged in the business of buying, receiving on consignment, soliciting for sale on commission or negotiating the sale of farm products from a producer, dealer, broker, or commission merchant, for resale, shall be licensed as provided in this chapter.

SEC. 15. Section 56188 of the Food and Agricultural Code is amended to read:

56188. Previous conviction of a felony, or previous violation of this chapter may be considered by the director as adverse to a showing of such character, responsibility, or good faith on the part of any applicant, or on the part of any manager, superintendent, director, or officer of an applicant corporation, or on the part of any superintendent, manager, or member of an applicant partnership. The same considerations are applicable to an individual applicant

who has previously been in a responsible or managing position with a corporation or partnership which has suffered revocation or suspension of license by reason of any violation of this chapter or by reason of any violation of Chapter 6 (commencing with Section 55401) of this division.

SEC. 16. Section 56189 of the Food and Agricultural Code is amended to read:

56189. Any person against whose bondsman or bondsmen a claim or claims have been collected by the director pursuant to any provision of this chapter or Chapter 6 (commencing with Section 55401) of this division or unbonded processor against whom claims have been filed and adjudicated, and that has not made full settlement with all producer-creditors, shall not be licensed by the director as a principal for four years from the date of such adjudication or collection.

SEC. 17. Section 56194 of the Food and Agricultural Code is amended to read:

56194. The director shall issue to any individual or member of a partnership, a card which specifies that he or his firm is licensed. The licensee shall show such card upon the request of any interested person.

SEC. 18. Section 56252 of the Food and Agricultural Code is amended to read:

56252. In addition to the other requirements of this chapter, each application for a license, or for the renewal of any such license, other than a cash buyer, shall include a balance sheet, or statement of financial position, which presents fairly the financial condition as of the applicant's most recent yearend. Such financial statement if not prepared by a public accountant or certified public accountant shall be on a form prescribed by the director and shall be submitted under penalty of perjury. Any balance sheet submitted which does not provide the detail required by the director may be rejected until such detail is provided.

SEC. 19. Section 56253 of the Food and Agricultural Code is amended to read:

56253. If at any time the director has cause or reason to believe that any licensee is in an unsound financial condition so as to impair his ability to pay consignor-creditors or producer-creditors in full for farm products received or handled, he may require such licensee to file with him a balance sheet, or statement of financial position, which presents fairly the financial condition of such licensee. Such financial statement if not prepared by a public accountant or certified public accountant shall be on a form prescribed by the director and shall be submitted under penalty of perjury. Any balance sheet submitted which does not provide the detail required by the director shall not meet the requirements of this section. Failure of any licensee to file a financial statement as required by this section shall be sufficient grounds for revocation of the license of such licensee.

SEC. 20. Section 56255 is added to the Food and Agricultural Code, to read:

56255. (a) Every licensee shall prepare and preserve the accounts, records, and memoranda required by this chapter which shall fully and correctly disclose all transactions involved in his business. Licensees shall keep records which are adapted to the particular business that the licensee is conducting and in each case such records shall fully disclose all transactions in the business in sufficient detail as to be readily understood and audited. Minimum records required under this chapter are:

1. A record of cash received.
2. A record of cash disbursed.
3. A general ledger or its equivalent.
4. A record of amounts due California producers.
5. A record of amounts due others.

(b) Every licensee shall prepare and preserve records and memoranda required by this chapter which shall fully and correctly disclose the true ownership and management of such business.

(c) All records required to be kept under this chapter shall be kept for a period of four years.

SEC. 21. Section 56271 of the Food and Agricultural Code is amended to read:

56271. Every commission merchant, that receives any farm product for sale as a commission merchant, shall promptly make and keep a correct record which shows in detail all of the following with reference to the handling, sale, or storage of such farm product:

(a) The name and address of the consignor.

(b) The date it was received.

(c) The condition and quantity upon arrival.

(d) Date of such sale for the account of the consignor.

(e) The price for which it was sold.

(f) An itemized statement of the charges to be paid by the consignor in connection with the sale. Any services rendered for which charges are made, if not filed with the director, shall be charged at cost if not covered by a written contract. Cost-supporting data shall be available for verification.

(g) The names and addresses of all purchasers if the commission merchant has any financial interest in the business of the purchasers, or if the purchasers have any financial interest in the business of the commission merchant, directly or indirectly, as holder of the other's corporate stock, as copartner, as lender or borrower of money to or from the other, or otherwise. Such interest shall be noted in such records following the name of any such purchaser.

(h) A lot number or other identifying mark for each consignment, which number or mark shall appear on every sales tag or other essential record, or both, which is needed to show what the produce was actually sold for.

(i) Any claim which has been or may be filed by the commission merchant against any person for overcharges or for damages which

result from the injury or deterioration of such farm product by the act, neglect, or failure of such person. Such records shall be open to the inspection of the director and the consignor of the farm product for whom such claim is made.

SEC. 22. Section 56272 of the Food and Agricultural Code is repealed.

SEC. 23. Section 56272 is added to the Food and Agricultural Code, to read:

56272. When requested by his consignors, a commission merchant shall, before the close of the next business day following such request, transmit to the consignor a true written report of the quantity sold and the selling price.

SEC. 24. Section 56275 of the Food and Agricultural Code is amended to read:

56275. Every licensee operating as a commission merchant shall retain a copy of all records which cover each transaction, which copy shall at all times be available for, and open to, the confidential inspection of the director, consignor, or the authorized representative of either.

SEC. 25. Section 56277 of the Food and Agricultural Code is amended to read:

56277. Such certificate is prima facie evidence of the truth of the statements contained therein. The presumption established by this section is a presumption affecting the burden of proof, but it does not apply in a criminal action.

SEC. 26. Section 56279 is added to the Food and Agricultural Code, to read:

56279. The burden of proof shall be upon the commission merchant to prove the correctness of his accounting as to any transaction which may be questioned.

SEC. 27. Section 56301 of the Food and Agricultural Code is amended to read:

56301. Every licensee operating as a dealer that purchases any farm product from the producer of the farm product, or from any dealer, broker, or commission merchant for the purpose of resale, shall promptly make and keep a correct record which shows in detail all of the following:

(a) The name and address of the grower.

(b) The date received.

(c) The price to be paid.

(d) An itemized statement of any charges which are paid by the dealer for the account of the seller.

SEC. 28. Section 56331 of the Food and Agricultural Code is amended to read:

56331. Every licensee operating as a broker, upon negotiating the sale of farm products, shall issue to both buyer and seller a written memorandum of sale, showing price, date of delivery, quality, and other details concerned in the transaction. A copy of this memorandum shall be retained by the broker for a period of two years.

SEC. 29. Section 56441 of the Food and Agricultural Code is amended to read:

56441. The director on his own motion may, or upon the verified complaint of any interested party shall, investigate, examine, or inspect any of the following:

(a) Any transaction which involves solicitation, receipt, sale, or attempted sale of any farm product by any person that is acting or assuming to act as a licensee.

(b) Failure to make proper and true account of sales and settlement of sales as required by this chapter.

(c) The intentional making of false statements as to condition and quantity of any farm product which is received or in storage.

(d) The intentional making of false statements as to market conditions.

(e) The failure to make payment for any farm product within the time which is required by this chapter.

(f) Any and all other injurious transactions.

SEC. 30. Section 56442 of the Food and Agricultural Code is amended to read:

56442. In furtherance of any such investigation, examination, or inspection, the director may examine the ledgers, books, accounts, memoranda and other documents, farm products, scales, measures, and other articles and things which are used in connection with the business of the person.

SEC. 31. Section 56572 of the Food and Agricultural Code is amended to read:

56572. (a) If any licensee does not apply for the renewal of a preexisting license on or before the date of the expiration of the license, a penalty of twenty-five dollars ($25) shall be added to the fee provided for under Section 56571 or 56571.5. Such penalty is applicable only during the 30-day period immediately following the license expiration date and shall entitle the applicant to 30 days from the date of the penalty payment to complete the application. If the application is not completed within such time, the application shall be denied and all fees retained by the director.

(b) A new applicant shall have 30 days from the date of filing the application form and payment of the fee to complete the application. After the 30-day period has elapsed, if the application remains incomplete, such application may be denied and the application fee retained by the director.

SEC. 32. Section 56610 of the Food and Agricultural Code is amended to read:

56610. It is a violation of this chapter if the licensee or applicant has failed or refused to file with the director a schedule of his charges for services in connection with any farm product which is handled on account of, or as an agent of, another.

SEC. 33. Section 56631 of the Food and Agricultural Code is amended to read:

0 4214 28 12 635 283

56631. Any misdemeanor which is specified in this article is punishable by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000), or by imprisonment in the county jail for not more than one year, or by both such fine and imprisonment.

SEC. 34. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 633

An act to amend Section 53651 of the Government Code, relating to municipal affairs.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 53651 of the Government Code is amended to read:

53651. Eligible securities are any of the following:

(a) United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as such loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any local agency or district of the State of California having the power, without limit as to rate or amount, to levy taxes to pay the principal and interest of such bonds upon all property within its boundaries subject to taxation by such local agency or district, and in addition, sales tax revenue bonds, and revenue bonds and other obligations payable solely out of the revenues from a revenue-producing property owned, controlled or operated by such state, local agency or district or by a department, board, agency or authority thereof.

(d) Bonds of any public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured by a pledge

of annual contributions under an annual contribution contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of Section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22(b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations.

(e) Registered warrants of this state.

(f) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, bonds, or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the Federal National Mortgage Association or of the Government National Mortgage Association established under the National Housing Act, as amended, bonds of any federal home loan bank established under said act, and obligations of the Tennessee Valley Authority.

(g) Notes, tax anticipation warrants or other evidence of indebtedness issued pursuant to Article 7 (commencing with Section 53820), Article 7.5 (commencing with Section 53840) or Article 7.6 (commencing with Section 53850) of this Chapter 4.

(h) State of California notes.

(i) Bonds, notes, certificates of indebtedness, warrants or other obligations issued by: (1) any state of the United States (except this state), or the Commonwealth of Puerto Rico, or any local agency thereof having the power to levy taxes, without limit as to rate or amount, to pay the principal and interest of such obligations, or (2) any state of the United States (except this state), or the Commonwealth of Puerto Rico, or a department, board, agency or authority thereof except bonds which provide for or are issued pursuant to a law which may contemplate a subsequent legislative appropriation as an assurance of the continued operation and solvency of such department, board, agency or authority but which does not constitute a valid and binding obligation for which the full faith and credit of such state or the Commonwealth of Puerto Rico are pledged, which are payable solely out of the revenues from a revenue-producing source owned, controlled or operated thereby; provided such obligations issued by an entity described in subsection (1) are rated in one of the three highest grades, and such obligations issued by an entity described in subsection (2) are rated in one of the two highest grades by a nationally recognized investment service

organization that has been engaged regularly in rating state and municipal issues for a period of not less than five years.

(j) Obligations issued or guaranteed by the International Bank for Reconstruction and Development, Inter-American Development Bank, and the Government Development Bank of Puerto Rico.

(k) Participation certificates of the Export-Import Bank of the United States.

(*l*) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 41700) of Part 3 of Division 31 of the Health and Safety Code.

CHAPTER 634

An act to amend Sections 1550 and 1901 of the Probate Code, relating to estates.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 1550 of the Probate Code is amended to read:

1550. (a) Within three months after his appointment, or within such further time as the court or judge for a reasonable cause may allow, the guardian must file with the clerk of the court an inventory and appraisement of the state of his ward, together with a copy of the same which copy shall be delivered by the clerk to the county assessor. The guardian shall make oath to the inventory, and the property therein described shall be appraised by the guardian and an inheritance tax referee in the manner provided for the inventory and appraisement of estates of decedents. The guardian may appraise the assets which an executor or administrator could appraise under Section 605. Whenever any ward is or has been during the guardianship confined in a state hospital in this state the guardian must deliver or mail a copy of the inventory to the Director of the State Department of Health at his office in Sacramento. Whenever any property of the ward is discovered which was not included in the inventory, and whenever any other property has been inherited or acquired by the ward, other than by purchase by the guardian, like proceedings must be had for the inventory and appraisement thereof and the delivery or mailing of a copy thereof as are herein provided in relation to the first inventory.

(b) If there is a conservatorship initiated pursuant to the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institution Code) and no sale of the estate of the ward will occur, there shall be an inventory and appraisal by the conservator within 90 days after appointment and

the requirement contained in subdivision (a) of an appraisal by an inheritance tax referee shall not apply.

SEC. 2. Section 1550 of the Probate Code is amended to read:

1550. (a) Within three months after his appointment, or within such further time as the court or judge for a reasonable cause may allow, the guardian must file with the clerk of the court an inventory and appraisement of the estate of his ward. A copy of the same shall be delivered by the clerk to the county assessor, if timely requested. The guardian shall make oath to the inventory, and the property therein described shall be appraised by the guardian and an inheritance tax referee in the manner provided for the inventory and appraisement of estates of decedents. The guardian may appraise the assets which an executor or administrator could appraise under Section 605. Whenever any ward is or has been during the guardianship confined in a state hospital in this state the guardian must deliver or mail a copy of the inventory to the Director of the State Department of Health at his office in Sacramento. Whenever any property of the ward is discovered which was not included in the inventory, and whenever any other property has been inherited or acquired by the ward, other than by purchase by the guardian, like proceedings must be had for the inventory and appraisement thereof and the delivery or mailing of a copy thereof as are herein provided in relation to the first inventory.

(b) If there is a conservatorship initiated pursuant to the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code) and no sale of the estate of the ward will occur, there shall be an inventory and appraisal by the conservator within 90 days after the appointment and the requirement contained in subdivision (a) of an appraisal by an inheritance tax referee shall not apply.

SEC. 3. Section 1901 of the Probate Code is amended to read:

1901. (a) Within three months after his appointment, or within such further time as the court or judge for a reasonable cause may allow, the conservator of the estate or person and estate of a conservatee shall file with the clerk of the court an inventory and appraisement of the estate of the conservatee, made as of the date of the appointment of the conservator, together with a copy of the same, which copy shall be delivered by the clerk to the county assessor. The conservator shall make oath to the inventory and the property therein described other than money must be appraised, by a conservator and an inheritance tax referee in the manner provided for the inventory and appraisement of estates of decedents. The conservator may appraise the assets which an executor or administrator could appraise under Section 605. Whenever any conservatee is or has been during the conservatorship confined in a state hospital in this state, the conservator shall deliver or mail a copy of the inventory to the Director of the State Department of Health at his office in Sacramento. Whenever any other property of the conservatee is discovered, or is inherited or acquired by the

conservatee other than by the actions of the conservator in the investment and management of the estate, like proceedings must be had for the inventory and appraisement thereof as in the case of the original inventory.

(b) If there is a conservatorship initiated pursuant to the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code) and no sale of the estate of the conservatee will occur, there shall be an inventory and appraisal by the conservator within 90 days after appointment and the requirement contained in subdivision (a) of an appraisal by an inheritance tax referee shall not apply.

SEC. 4. Section 1901 of the Probate Code is amended to read:

1901. (a) Within three months after his appointment, or within such further time as the court or judge for a reasonable cause may allow, the conservator of the estate or person and estate of a conservatee shall file with the clerk of the court an inventory and appraisement of the estate of the conservatee, made as of the date of the appointment of the conservator. A copy of the same shall be delivered by the clerk to the county assessor, if timely requested. The conservator shall make oath to the inventory and the property therein described other than money must be appraised, by a conservator and an inheritance tax referee in the manner provided for the inventory and appraisement of estates of decedents. The conservator may appraise the assets which an executor or administrator could appraise under Section 605. Whenever any conservatee is or has been during the conservatorship confined in a state hospital in this state, the conservator shall deliver or mail a copy of the inventory to the Director of the State Department of Health at his office in Sacramento. Whenever any other property of the conservatee is discovered, or is inherited or acquired by the conservatee other than by the actions of the conservator in the investment and management of the estate, like proceedings must be had for the inventory and appraisement thereof as in the case of the original inventory.

(b) If there is a conservatorship initiated pursuant to the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code) and no sale of the estate of the conservatee will occur, there shall be an inventory and appraisal by the conservator within 90 days after appointment and the requirement contained in subdivision (a) of an appraisal by an inheritance tax referee shall not apply.

SEC. 5. It is the intent of the Legislature, if this bill and Assembly Bill No. 2205 are both chaptered and become effective January 1, 1977, both bills amend Sections 1550 and 1901 of the Probate Code, and this bill is chaptered after Assembly Bill No. 2205, that the amendments to Sections 1550 and 1901 proposed by both bills be given effect and incorporated in Sections 1550 and 1901 in the form set forth in Sections 2 and 4 of this act. Therefore, Sections 2 and 4 of this act shall become operative only if this bill and Assembly Bill

No. 2205 are both chaptered and become effective January 1, 1977, both amend Sections 1550 and 1901, and this bill is chaptered after Assembly Bill No. 2205, in which case Sections 1 and 3 of this act shall not become operative.

CHAPTER 635

An act to amend Section 15402 of the Revenue and Taxation Code, relating to the taxation of future interests.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 15402 of the Revenue and Taxation Code is amended to read:

15402. The exemption allowed by this article shall not apply to a future interest in property; provided, that no part of a gift to an individual who has not attained the age of 21 years on the date of such transfer shall be considered a gift of a future interest in property for the purposes of this section if the property and the income therefrom may be expended by, or for the benefit of, the donee before his attaining the age of 21 years, and will to the extent not so expended pass to the donee on his attaining the age of 21 years, and in the event the donee dies before attaining the age of 21 years, be payable to the estate of the donee or as he may appoint under an unlimited power of appointment.

CHAPTER 636

An act to amend Section 12944.5 of the Water Code, relating to water bonds.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 12944.5 of the Water Code is amended to read:

12944.5. (a) Notwithstanding any other provision of law to the contrary, any local public agency other than a city or county which has executed a contract with the state for a water supply pursuant to Section 12937 shall satisfy any requirement for the approval by the voters of the agency to secure authorization for the issuance of general obligation bonds of the agency or of the agency for any

improvement district thereof to fund the acquisition and construction of works and facilities to enable such local public agency or improvement district to utilize such water supply, if a majority of the voters voting on the proposition to incur the bonded indebtedness vote in favor of such proposition. The provisions of law governing the issuance of general obligation bonds by the local public agency, including the provisions of the principal act of the local public agency, shall govern all matters relating to the issuance of such general obligation bonds, including the authorization, issuance, sale or retirement thereof, except only that a majority of the votes cast on the proposition to incur the bonded indebtedness need be in favor of such proposition in order to authorize the issuance of such bonds. The provisions of this chapter shall be applicable only to general obligation bonds approved at an election held on one of the dates specified in subdivisions (1), (2), or (3) of Section 2504 of the Elections Code.

(b) The provisions of this chapter shall also be applicable to (1) any local public agency other than a city or a county which has executed a contract for a water supply with a public agency which has in turn executed a contract with the state for a water supply pursuant to Section 12937, (2) any local public agency other than a city or county which is a member agency of, or is located within a member agency of, a metropolitan water district which has executed a contract with the state for a water supply pursuant to Section 12937, and (3) any local public agency other than a city or county which is a member agency of, or is located within a member agency of, a county water authority which is a member agency of a metropolitan water district which has executed a contract with the state for a water supply pursuant to Section 12937.

CHAPTER 637

An act to amend Section 11192 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 11192 of the Health and Safety Code, is amended to read:

11192. In a prosecution for a violation of Section 11190, proof that a defendant received or has had in his possession at any time a greater amount of controlled substances than is accounted for by any record required by law or that the amount of controlled substances possessed by a defendant is a lesser amount than is accounted for by any record required by law is prima facie evidence of a violation of the section.

CHAPTER 638

An act to amend Sections 19416.5 and 19566.5 of the Business and Professions Code, relating to horseracing.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 19416.5 of the Business and Professions Code is amended to read:

19416.5. "Appaloosa horse" is any horse (including mare, gelding, colt and filly) that meets the requirements of and is registered by the Appaloosa Horse Club and approved by the Appaloosa Horse Club.

"Arabian horse" is any horse (including mare, gelding, colt and filly) that meets the requirements of and is registered by the Arabian Horse Registry of America, Inc.

SEC. 2. Section 19566.5 of the Business and Professions Code is amended to read:

19566.5. The Stud Book of the Appaloosa Horse Club as approved by the Appaloosa Horse Club shall be recognized as the sole official registry for Appaloosa horses. The Stud Book of the Arabian Horse Registry of America, Inc. shall be recognized as the sole official registry for Arabian horses. The board shall, however, by rule provide for the registration of California-bred Appaloosa horses and Arabian horses to enable compliance with this chapter.

CHAPTER 639

An act to amend Section 13329 of the Education Code, relating to school certificated employees.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 13329 of the Education Code is amended to read:

13329. The governing board of any school district or any county superintendent of schools may employ persons possessing an appropriate credential as certificated employees in programs and projects to perform services conducted under contract with public or private agencies, or other categorically funded projects of

indeterminate duration. The terms and conditions under which such persons are employed shall be mutually agreed upon by the employee and the governing board and such agreement shall be reduced to writing. Service pursuant to this section shall not be included in computing the service required as a prerequisite to attainment of, or eligibility to, classification as a permanent employee unless (1) such person has served pursuant to this section for at least 75 percent of the number of days the regular schools of the district by which he is employed are maintained, and (2) such person is subsequently employed as a probationary employee in a position requiring certification qualifications. Such persons may be employed for periods which are less than a full school year and may be terminated at the expiration of the contract or specially funded project without regard to other requirements of this code respecting the termination of probationary or permanent employees.

This section shall not be construed to apply to any regularly credentialed employee who has been employed in the regular educational programs of the school district or county superintendent of schools as a probationary employee before being subsequently assigned to any one of these programs.

CHAPTER 640

An act to add Section 15815 to the Education Code, relating to high school interscholastic football.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 15815 is added to the Education Code, to read:

15815. (a) The Legislature finds and declares that the quality of protective equipment worn by participants in high school interscholastic football is a significant factor in the occurrence of injuries to such participants and that it is therefore necessary to insure minimum standards of quality for the equipment in order to prevent unnecessary injuries to such participants.

(b) No football helmets shall be worn by participants in high school interscholastic football after the commencement of the 1980–1981 school year, unless such equipment has been certified for use by the Department of Education. In determining the suitability of equipment for certification the department may accept the certification of the National Operating Committee on Standards for Athletic Equipment or any other recognized certifying agency in the field.

This section shall not be construed as relieving school districts from

the duty of maintaining football protective equipment in a safe and serviceable condition.

CHAPTER 641

An act to amend Section 331 of the Civil Code, to amend Sections 416.10 and 1710.45 of the Code of Civil Procedure, to amend Sections 102, 110, 115, 149, 152, 153, 154, 158, 160, 162, 164, 166, 175, 181, 186, 189, 191, 192, 194, 204, 212, 300, 305, 307, 308, 309, 310, 312, 316, 317, 400, 402, 407, 423, 500, 502, 504, 506, 507, 600, 601, 603, 701, 702, 703, 706, 800, 902, 905, 907, 1001, 1101, 1103, 1106, 1108, 1109, 1110, 1111, 1201, 1300, 1301, 1305, 1312, 1501, 1502, 1508, 1600, 1602, 1603, 1702, 1800, 1900, 1901, 1902, 1904, 1905, 2000, 2001, 2004, 2007, 2011, 2104, 2106, 2108, 2109, 2111, 2114, 2115, 2203, 2204, 2260, 2302, 2305, 2310, 2313, 2314, 2315, 2317 and 13409 of, and to add Sections 117, 118 and 194.5 to, the Corporations Code, to amend Sections 661, 2070, 2071, 2072, 2073, 2093 and 2094 of the Financial Code, to add Section 12210.5 to the Government Code, and to amend Sections 16 and 18 of Chapter 682 of the Statutes of 1975, relating to corporations.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 331 of the Civil Code is amended to read:

331. (1) Nonstock corporations may levy dues or assessments or both upon their members, if such authority is conferred either by the articles or by their bylaws, and subject to any limitations therein contained. Such dues or assessments or both may be levied upon all classes of membership alike, or in different amounts or proportions or upon a different basis upon different classes of membership and memberships of one or more classes may be made exempt from either dues or assessments or both, in the manner and to the extent provided either in the articles or the bylaws.

The amount of the levy and method of collection of such dues or assessments or both may be fixed in the articles or bylaws, or the articles or bylaws may authorize the board of directors to fix the amount thereof from time to time, and make them payable at such times or intervals, and upon such notice, and by such methods of collection as the directors may prescribe. They may be made enforceable by action or by forfeiture of membership, or both, upon reasonable notice.

(2) Any corporation organized for or engaged in the business of selling, distributing, supplying or delivering water for irrigation purposes or domestic use, and not as a public utility, may levy assessments upon its shares, whether or not fully paid, unless otherwise provided in its articles or bylaws. If any shares of any such

corporation which have been made appurtenant to any land as provided in this code, become delinquent in the payment of assessments, the right to receive water or dividends thereon may be denied, and they may be sold and transferred without said lands as if not appurtenant thereto, and the purchaser shall acquire the right to receive water as provided in the articles or bylaws of the corporation, or they may be forfeited to the corporation.

SEC. 1.1. Section 416.10 of the Code of Civil Procedure, as amended by Chapter 682 of the Statutes of 1975, is amended to read:

416.10. A summons may be served on a corporation by delivering a copy of the summons and of the complaint:

(a) To the person designated as agent for service of process as provided by any provision in Section 202, 1502, 2105 or 2107 of the Corporations Code (or Sections 3301 to 3303, inclusive or Sections 6500 to 6504, inclusive, of the Corporations Code as in effect on December 31, 1976 with respect to corporations to which they remain applicable);

(b) To the president or other head of the corporation, a vice president, a secretary or assistant secretary, a treasurer or assistant treasurer, a general manager, or a person authorized by the corporation to receive service of process;

(c) If the corporation is a bank, to a cashier or assistant cashier or to a person specified in subdivision (a) or (b); or

(d) When authorized by any provision in Section 1701, 1702, 2110 or 2111 of the Corporations Code (or Sections 3301 to 3303, inclusive, or Sections 6500 to 6504, inclusive, of the Corporations Code as in effect on December 31, 1976, with respect to corporations to which they remain applicable), as provided by such provision.

SEC. 1.2. Section 1710.45 of the Code of Civil Procedure is amended to read:

1710.45. (a) Except as otherwise provided in this section, a writ of execution on a judgment entered pursuant to this chapter shall not issue until at least 30 days after the judgment creditor serves notice of entry of the judgment upon the judgment debtor, proof of which has been made in the manner provided by Article 5 (commencing with Section 417.10) of Chapter 4 of Title 5 of Part 2.

(b) A writ of execution may be issued before service of the notice of entry of judgment if the judgment debtor is any of the following:

(1) An individual who does not reside in this state.

(2) A foreign corporation not qualified to do business in this state under the provisions of Chapter 21 (commencing with Section 2100) of Division 1 of Title 1 of the Corporations Code.

(3) A foreign partnership which has not filed a statement pursuant to Section 15700 of the Corporations Code designating an agent for service of process.

(c) The court may order that a writ of execution be issued before service of the notice of entry of judgment if the court finds upon an ex parte showing that great or irreparable injury would result to the judgment creditor if issuance of the writ were delayed as provided

in subdivision (a).

(d) Property levied upon pursuant to a writ issued under subdivision (b) or (c) shall not be sold or distributed before 30 days after the judgment creditor serves notice of entry of the judgment upon the judgment debtor, proof of which has been made in the manner provided by Article 5 (commencing with Section 417.10) of Chapter 4 of Title 5 of Part 2. However, if property levied upon is perishable, it may be sold in order to prevent its destruction or loss of value, but the proceeds of the sale shall not be distributed to the judgment creditor before the date sale of nonperishable property is permissible.

SEC. 1.3. Section 102 as added to the Corporations Code by Chapter 682 of the Statutes of 1975, is amended to read:

102. (a) Subject to the provisions of Chapter 23 (commencing with Section 2300) (transition provisions), the provisions of this division apply to corporations organized under this division and to domestic corporations which are not subject to Division 2 (commencing with Section 9000) or Part 1 (commencing with Section 12000), 2 (commencing with Section 12200), 3 (commencing with Section 13200), 5 (commencing with Section 14000) or 6 (commencing with Section 14200) of Division 3 of this title on December 31, 1976, and which are not organized or existing under any statute of this state other than this code; they apply to any other corporation only to the extent expressly included in a particular provision of this division.

(b) The existence of corporations formed or existing on the date of enactment or reenactment of this division shall not be affected by the enactment or reenactment of this division nor by any change in the requirements for the formation of corporations nor by the amendment or repeal of the laws under which they were formed or created.

(c) Neither the repeals effected by the enactment or reenactment of this division nor the enactment of this title nor the amendment thereof shall impair or take away any existing liability or cause of action against any corporation, its shareholders, directors or officers incurred prior to the time of such enactment, reenactment or amendment.

SEC. 1.5. Section 110 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

110. (a) Upon receipt of any instrument by the Secretary of State for filing pursuant to this division, if it conforms to law, it shall be filed by, and in the office of, the Secretary of State and the date of filing endorsed thereon. Except for instruments filed pursuant to Sections 1502 and 2108, the date of filing shall be the date the instrument is received by the Secretary of State unless withheld from filing for a period of time pursuant to a request by the party submitting it for filing or unless in the judgment of the Secretary of State the filing is intended to be coordinated with the filing of some other corporate document which cannot be filed. The Secretary of

State shall file a document as of any requested future date not more than 90 days after its receipt, including a Saturday, Sunday or legal holiday, if the document is received in the Secretary of State's office at least one business day prior to the requested date of filing. An instrument does not fail to conform to law because it is not accompanied by the full filing fee if the unpaid portion of such fee does not exceed the limits established by the policy of the Secretary of State for extending credit in such cases.

(b) If the Secretary of State determines that an instrument submitted for filing or otherwise submitted does not conform to law and returns it to the person submitting it, the instrument may be resubmitted accompanied by a written opinion of the member of the State Bar of California submitting the instrument, or representing the person submitting it, to the effect that the specific provision of the instrument objected to by the Secretary of State does conform to law and stating the points and authorities upon which the opinion is based. The Secretary of State shall rely, with respect to any disputed point of law (other than the application of Sections 201, 2101 and 2106), upon such written opinion in determining whether the instrument conforms to law. The date of filing in such case shall be the date the instrument is received on resubmission.

(c) Any instrument filed with respect to a corporation (other than original articles) may provide that it is to become effective not more than 90 days subsequent to its filing date. In case such a delayed effective date is specified, the instrument may be prevented from becoming effective by a certificate stating that by appropriate corporate action it has been revoked and is null and void, executed in the same manner as the original instrument and filed before the specified effective date. In the case of a merger agreement, such certificate revoking the earlier filing need only be executed on behalf of one of the constituent corporations. If no such revocation certificate is filed, the instrument becomes effective on the date specified.

SEC. 1.6. Section 115 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

115. As used in this division, independent accountant means a certified public accountant or public accountant who is independent of the corporation as determined in accordance with generally accepted auditing standards and who is engaged to audit financial statements of the corporation or perform other accounting services.

SEC. 1.7. Section 117 is added to the Corporations Code, to read:

117. Any requirement in this division for a vote of each class of outstanding shares means such a vote regardless of limitations or restrictions upon the voting rights thereof, unless expressly limited to voting shares.

SEC. 1.8. Section 118 is added to the Corporations Code, to read:

118. Any reference in this division to the time a notice is given or sent means, unless otherwise expressly provided, the time a written notice by mail is deposited in the United States mails, postage

prepaid; or the time any other written notice is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient; or the time any oral notice is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

SEC. 2. Section 149 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

149. "Acknowledged" means that an instrument is either:

(a) Formally acknowledged as provided in Article 3 (commencing with Section 1180) of Chapter 4 of Title 4 of Part 4 of Division 2 of the Civil Code, or

(b) Accompanied by a declaration in writing signed by the persons executing the same that they are such persons and that the instrument is the act and deed of the person or persons executing the same.

Any certificate of acknowledgment taken without this state before a notary public or a judge or clerk of a court of record having an official seal need not be further authenticated.

SEC. 2.2. Section 152 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

152. "Approved by (or approval of) the outstanding shares" means approved by the affirmative vote of a majority of the outstanding shares entitled to vote. Such approval shall include the affirmative vote of a majority of the outstanding shares of each class or series entitled, by any provision of the articles or of this division, to vote as a class or series on the subject matter being voted upon and shall also include the affirmative vote of such greater proportion (including all) of the outstanding shares of any class or series if such greater proportion is required by the articles or this division.

SEC. 2.4. Section 153 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

153. "Approved by (or approval of) the shareholders" means approved or ratified by the affirmative vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present or by the written consent of shareholders (Section 603) or by the affirmative vote or written consent of such greater proportion (including all) of the shares of any class or series as may be provided in the articles or in this division for all or any specified shareholder action.

SEC. 3. Section 154 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

154. "Articles" includes the articles of incorporation, amendments thereto, amended articles, restated articles, certificate of incorporation and certificates of determination. All references in this division to a vote required by the "articles" include, in the case of a close corporation (Section 158), any vote required by a shareholders' agreement.

SEC. 4. Section 158 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

158. (a) "Close corporation" means a corporation whose articles contain, in addition to the provisions required by Section 202, a provision that all of the corporation's issued shares of all classes shall be held of record by not more than a specified number of persons, not exceeding 10, and a statement "This corporation is a close corporation."

(b) The special provisions referred to in subdivision (a) may be included in the articles by amendment, but if such amendment is adopted after the issuance of shares only by the affirmative vote of all of the issued and outstanding shares of all classes.

(c) The special provisions referred to in subdivision (a) may be deleted from the articles by amendment, but if such amendment is adopted after the issuance of shares only by the affirmative vote of at least two-thirds of each class of the outstanding shares; provided, however, that the articles may provide for a lesser vote, but not less than a majority of the outstanding shares, or may deny a vote to any class, or both.

(d) In determining the number of shareholders for the purposes of the provision in the articles authorized by this section, a husband and wife and the personal representative of either shall be counted as one regardless of how shares may be held by either or both of them, a trust or personal representative of a decedent holding shares shall be counted as one regardless of the number of trustees or beneficiaries and a partnership or corporation or business association holding shares shall be counted as one (except that any such trust or entity the primary purpose of which was the acquisition or voting of the shares shall be counted according to the number of beneficial interests therein).

(e) A corporation shall cease to be a close corporation upon the filing of an amendment to its articles pursuant to subdivision (c) or if it shall have more than the maximum number of holders of record of its shares specified in its articles as a result of an inter vivos transfer of shares which is not void under subdivision (d) of Section 418, the transfer of shares on distribution by will or pursuant to the laws of descent and distribution, the dissolution of a partnership or corporation or business association or the termination of a trust which holds shares, by court decree upon dissolution of a marriage or otherwise by operation of law. Promptly upon acquiring more than the specified number of holders of record of its shares, a close corporation shall execute and file an amendment to its articles deleting the special provisions referred to in subdivision (a) and deleting any other provisions not permissible for a corporation which is not a close corporation, which amendment shall be promptly approved and filed by the board and need not be approved by the outstanding shares.

(f) Nothing contained in this section shall invalidate any agreement among the shareholders to vote for the deletion from the

articles of the special provisions referred to in subdivision (a) upon the lapse of a specified period of time or upon the occurrence of a certain event or condition or otherwise.

(g) The following sections contain specific references to close corporations: 186, 202, 204, 300, 418, 421, 706, 1111, 1201, 1800 and 1904.

SEC. 4.1. Section 160 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

160. (a) Except as provided in subdivision (b), "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a corporation.

(b) "Control" in Sections 181, 1001 and 1200 means the ownership directly or indirectly of shares possessing more than 50 percent of the voting power.

SEC. 4.2. Section 162 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

162. "Corporation", unless otherwise expressly provided, refers only to a corporation organized under this division or a corporation subject to this division under the provisions of subdivision (a) of Section 102.

SEC. 4.3. Section 164 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

164. "Directors" means natural persons designated in the articles as such or elected by the incorporators and natural persons designated, elected or appointed by any other name or title to act as directors, and their successors.

SEC. 4.4. Section 166 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

166. "Distribution to its shareholders" means the transfer of cash or property by a corporation to its shareholders without consideration, whether by way of dividend or otherwise, except a dividend in shares of the corporation, or the purchase or redemption of its shares for cash or property, including such transfer, purchase or redemption by a subsidiary of the corporation. The time of any distribution by way of dividend shall be the date of declaration thereof and the time of any distribution by purchase or redemption of shares shall be the date cash or property is transferred by the corporation, whether or not pursuant to a contract of an earlier date; provided, that where a negotiable debt security (as defined in subdivision (1) of Section 8102 of the Commercial Code) is issued in exchange for shares the time of the distribution is the date when the corporation acquires the shares in such exchange. In the case of a sinking fund payment, cash or property is transferred within the meaning of this section at the time that it is delivered to a trustee for the holders of preferred shares to be used for the redemption of such shares or physically segregated by the corporation in trust for that purpose.

SEC. 4.5. Section 175 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

175. Except as used in Sections 1001, 1101 and 1200, a "parent" of

a specified corporation is an affiliate controlling such corporation directly or indirectly through one or more intermediaries. In Sections 1001 and 1101, "parent" means a person in control of a corporation as defined in subdivision (b) of Section 160.

SEC. 4.6. Section 181 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

181. "Reorganization" means:

(a) A merger pursuant to Chapter 11 (commencing with Section 1100) other than a short-form merger (a "merger reorganization");

(b) The acquisition by one corporation in exchange in whole or in part for its equity securities (or the equity securities of a corporation which is in control of the acquiring corporation) of shares of another corporation if, immediately after the acquisition, the acquiring corporation has control of such other corporation (an "exchange reorganization"); or

(c) The acquisition by one corporation in exchange in whole or in part for its equity securities (or the equity securities of a corporation which is in control of the acquiring corporation) or for its debt securities (or debt securities of a corporation which is in control of the acquiring corporation) which are not adequately secured and which have a maturity date in excess of five years after the consummation of the reorganization, or both, of all or substantially all of the assets of another corporation (a "sale-of-assets reorganization").

SEC. 4.7. Section 186 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

186. "Shareholders' agreement" means a written agreement among all of the shareholders of a close corporation, or if a close corporation has only one shareholder between such shareholder and the corporation, as authorized by subdivision (b) of Section 300.

SEC. 4.8. Section 189 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

189. (a) Except as provided in subdivision (b), "subsidiary" of a specified corporation means a corporation shares of which possessing more than 50 percent of the voting power are owned directly or indirectly through one or more subsidiaries by the specified corporation.

(b) For the purpose of Section 703, "subsidiary" of a specified corporation means a corporation shares of which possessing more than 25 percent of the voting power are owned directly or indirectly through one or more subsidiaries as defined in subdivision (a) by the specified corporation.

SEC. 4.9. Section 191 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

191. (a) For the purposes of Chapter 21 (commencing with Section 2100), "transact intrastate business" means entering into repeated and successive transactions of its business in this state, other than interstate or foreign commerce.

(b) A foreign corporation shall not be considered to be transacting

intrastate business merely because its subsidiary transacts intrastate business.

(c) Without excluding other activities which may not constitute transacting intrastate business, a foreign corporation shall not be considered to be transacting intrastate business within the meaning of subdivision (a) solely by reason of carrying on in this state any one or more of the following activities:

(1) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes.

(2) Holding meetings of its board or shareholders or carrying on other activities concerning its internal affairs.

(3) Maintaining bank accounts.

(4) Maintaining offices or agencies for the transfer, exchange and registration of its securities or depositaries with relation to its securities.

(5) Effecting sales through independent contractors.

(6) Soliciting or procuring orders, whether by mail or through employees or agents or otherwise, where such orders require acceptance without this state before becoming binding contracts.

(7) Creating evidences of debt or mortgages, liens or security interests on real or personal property.

(8) Conducting an isolated transaction completed within a period of 180 days and not in the course of a number of repeated transactions of like nature.

(d) Without excluding other activities which may not constitute transacting intrastate business, any foreign lending institution, including, but not limited to: any foreign banking corporation, any foreign corporation all of the capital stock of which is owned by one or more foreign banking corporations, any foreign savings and loan association, any foreign insurance company or any foreign corporation or association authorized by its charter to invest in loans secured by real and personal property, whether organized under the laws of the United States or of any other state, district or territory of the United States, shall not be considered to be doing, transacting or engaging in business in this state solely by reason of engaging in any or all of the following activities either on its own behalf or as a trustee of a pension plan, employee profit sharing or retirement plan, testamentary or inter vivos trust, or in any other fiduciary capacity:

(1) The acquisition by purchase, by contract to purchase, by making of advance commitments to purchase or by assignment of loans, secured or unsecured, or any interest therein, if such activities are carried on from outside this state by the lending institution.

(2) The making by an officer or employee of physical inspections and appraisals of real or personal property securing or proposed to secure any loan, if the officer or employee making any physical inspection or appraisal is not a resident of and does not maintain a place of business for such purpose in this state.

(3) The ownership of any loans and the enforcement of any loans by trustee's sale, judicial process or deed in lieu of foreclosure or otherwise.

(4) The modification, renewal, extension, transfer or sale of loans or the acceptance of additional or substitute security therefor or the full or partial release of the security therefor or the acceptance of substitute or additional obligors thereon, if the activities are carried on from outside this state by the lending institution.

(5) The engaging by contractual arrangement of a corporation, firm or association, qualified to do business in this state, which is not a subsidiary or parent of the lending institution and which is not under common management with the lending institution, to make collections and to service loans in any manner whatsoever, including the payment of ground rents, taxes, assessments, insurance and the like and the making, on behalf of the lending institution, of physical inspections and appraisals of real or personal property securing any loans or proposed to secure any loans, and the performance of any such engagement.

(6) The acquisition of title to the real or personal property covered by any mortgage, deed of trust or other security instrument by trustee's sale, judicial sale, foreclosure or deed in lieu of foreclosure, or for the purpose of transferring title to any federal agency or instrumentality as the insurer or guarantor of any loan, and the retention of title to any real or personal property so acquired pending the orderly sale or other disposition thereof.

(7) The engaging in activities necessary or appropriate to carry out any of the foregoing activities.

Nothing contained in this subdivision shall be construed to permit any foreign banking corporation to maintain an office in this state otherwise than as provided by the laws of this state or to limit the powers conferred upon any foreign banking corporation as set forth in the laws of this state or to permit any foreign lending institution to maintain an office in this state except as otherwise permitted under the laws of this state.

SEC. 5. Section 192 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

192. "Vacancy" when used with respect to the board means any authorized position of director which is not then filled by a duly elected director, whether caused by death, resignation, removal, change in the authorized number of directors (by the board or the shareholders) or otherwise.

SEC. 5.5. Section 194 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

194. "Vote" includes authorization by written consent, subject to the provisions of subdivision (c) of Section 307 and subdivision (d) of Section 603.

SEC. 6. Section 194.5 is added to the Corporations Code, to read:

194.5. "Voting power" means the power to vote for the election

of directors at the time any determination of voting power is made and does not include the right to vote upon the happening of some condition or event which has not yet occurred. In any case where different classes of shares are entitled to vote as separate classes for different members of the board, the determination of percentage of voting power shall be made on the basis of the percentage of the total number of authorized directors which the shares in question (whether of one or more classes) have the power to elect in an election at which all shares then entitled to vote for the election of any directors are voted.

SEC. 6.2. Section 204 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

204. The articles of incorporation may set forth:

(a) Any or all of the following provisions, which shall not be effective unless expressly provided in the articles:

(1) Granting, with or without limitations, the power to levy assessments upon the shares or any class of shares;

(2) Granting to shareholders preemptive rights to subscribe to any or all issues of shares or securities;

(3) Special qualifications of persons who may be shareholders;

(4) A provision limiting the duration of the corporation's existence to a specified date;

(5) A provision requiring, for any or all corporate actions (except as provided in Section 303, subdivision (c) of Section 708 and Section 1900) the vote of a larger proportion or of all of the shares of any class or series, or of a larger proportion or of all of the directors, than is otherwise required by this division;

(6) A provision limiting or restricting the business in which the corporation may engage or the powers which the corporation may exercise or both;

(7) A provision conferring upon the holders of any evidences of indebtedness, issued or to be issued by the corporation, the right to vote in the election of directors and on any other matters on which shareholders may vote;

(8) A provision conferring upon shareholders the right to determine the consideration for which shares shall be issued.

(9) A provision requiring the approval of the shareholders (Section 153) or the approval of the outstanding shares (Section 152) for any corporate action, even though not otherwise required by this division.

Notwithstanding this subdivision, in the case of a close corporation any of the provisions referred to above may be validly included in a shareholders' agreement. Notwithstanding this subdivision, bylaws may require for all or any actions by the board the affirmative vote of a majority of the authorized number of directors. Nothing contained in this subdivision shall affect the enforceability, as between the parties thereto, of any lawful agreement not otherwise contrary to public policy.

(b) Reasonable restrictions upon the right to transfer or

hypothecate shares of any class or classes or series, but no restriction shall be binding with respect to shares issued prior to the adoption of the restriction unless the holders of such shares voted in favor of the restriction.

(c) The names and addresses of the persons appointed to act as initial directors.

(d) Any other provision, not in conflict with law, for the management of the business and for the conduct of the affairs of the corporation, including any provision which is required or permitted by this division to be stated in the bylaws.

SEC. 6.6. Section 212 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

212. (a) The bylaws shall set forth (unless such provision is contained in the articles, in which case it may only be changed by an amendment of the articles) the number of directors of the corporation; or that the number of directors shall be not less than a stated minimum nor more than a stated maximum (which in no case shall be greater than two times the stated minimum minus one), with the exact number of directors to be fixed, within the limits specified, by approval of the board or the shareholders (Section 153) in the manner provided in the bylaws, subject to paragraph (5) of subdivision (a) of Section 204. The number or minimum number of directors shall not be less than three; provided, however, that (1) before shares are issued, the number may be one, (2) before shares are issued, the number may be two, (3) so long as the corporation has only one shareholder, the number may be one, (4) so long as the corporation has only one shareholder, the number may be two, and (5) so long as the corporation has only two shareholders, the number may be two. After the issuance of shares, a bylaw specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by approval of the outstanding shares (Section 152); provided, however, that a bylaw or amendment of the articles reducing the number or the minimum number of directors to a number less than five cannot be adopted if the votes cast against its adoption at a meeting or the shares not consenting in the case of action by written consent are equal to more than 16⅔ percent of the outstanding shares entitled to vote.

(b) The bylaws may contain any provision, not in conflict with law or the articles for the management of the business and for the conduct of the affairs of the corporation, including but not limited to:

(1) Any provision referred to in subdivision (b), (c) or (d) of Section 204.

(2) The time, place and manner of calling, conducting and giving notice of shareholders', directors' and committee meetings.

(3) The manner of execution, revocation and use of proxies.

(4) The qualifications, duties and compensation of directors; the time of their annual election; and the requirements of a quorum for directors' and committee meetings.

(5) The appointment and authority of committees of the board.

(6) The appointment, duties, compensation and tenure of officers.

(7) The mode of determination of holders of record of its shares.

(8) The making of annual reports and financial statements to the shareholders.

SEC. 7. Section 300 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

300. (a) Subject to the provisions of this division and any limitations in the articles relating to action required to be approved by the shareholders (Section 153) or by the outstanding shares (Section 152), the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board. The board may delegate the management of the day-to-day operation of the business of the corporation to a management company or other person provided that the business and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board.

(b) Notwithstanding subdivision (a) or any other provision of this division, but subject to subdivision (c), no shareholders' agreement, which relates to any phase of the affairs of a close corporation, including but not limited to management of its business, division of its profits or distribution of its assets on liquidation, shall be invalid as between the parties thereto on the ground that it so relates to the conduct of the affairs of the corporation as to interfere with the discretion of the board or that it is an attempt to treat the corporation as if it were a partnership or to arrange their relationships in a manner that would be appropriate only between partners. A transferee of shares covered by such an agreement which is filed with the secretary of the corporation for inspection by any prospective purchaser of shares, who has actual knowledge thereof or notice thereof by a notation on the certificate pursuant to Section 418, is bound by its provisions and is a party thereto for the purposes of subdivision (d). Original issuance of shares by the corporation to a new shareholder who does not become a party to the agreement terminates the agreement, except that if the agreement so provides it shall continue to the extent it is enforceable apart from this subdivision. The agreement may not be modified, extended or revoked without the consent of such a transferee, subject to any provision of the agreement permitting modification, extension or revocation by less than unanimous agreement of the parties. A transferor of shares covered by such an agreement ceases to be a party thereto upon ceasing to be a shareholder of the corporation unless the transferor is a party thereto other than as a shareholder. An agreement made pursuant to this subdivision shall terminate when the corporation ceases to be a close corporation, except that if the agreement so provides it shall continue to the extent it is enforceable apart from this subdivision. This subdivision does not apply to an agreement authorized by subdivision (a) of Section 706.

(c) No agreement entered into pursuant to subdivision (b) may

alter or waive any of the provisions of Sections 158, 500, 501, and 1111, subdivision (e) of Section 1201, Sections 2009, 2010, and 2011, or of Chapters 15 (commencing with Section 1500), 16 (commencing with Section 1600), 18 (commencing with Section 1800), and 22 (commencing with Section 2200). All other provisions of this division may be altered or waived as between the parties thereto in a shareholders' agreement, except the required filing of any document with the Secretary of State.

(d) An agreement of the type referred to in subdivision (b) shall, to the extent and so long as the discretion or powers of the board in its management of corporate affairs is controlled by such agreement, impose upon each shareholder who is a party thereto liability for managerial acts performed or omitted by such person pursuant thereto that is otherwise imposed by this division upon directors, and the directors shall be relieved to that extent from such liability.

(e) The failure of a close corporation to observe corporate formalities relating to meetings of directors or shareholders in connection with the management of its affairs, pursuant to an agreement authorized by subdivision (b), shall not be considered a factor tending to establish that the shareholders have personal liability for corporate obligations.

SEC. 7.5. Section 305 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

305. (a) Unless otherwise provided in the articles or bylaws and except for a vacancy created by the removal of a director, vacancies on the board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. Unless the articles or a bylaw adopted by the shareholders provide that the board may fill vacancies occurring in the board by reason of the removal of directors, such vacancies may be filled only by approval of the shareholders (Section 153).

(b) The shareholders may elect a director at any time to fill any vacancy not filled by the directors. Any such election by written consent requires the consent of a majority of the outstanding shares entitled to vote.

(c) If, after the filling of any vacancy by the directors, the directors then in office who have been elected by the shareholders shall constitute less than a majority of the directors then in office,

(1) Any holder or holders of an aggregate of 5 percent or more of the total number of shares at the time outstanding having the right to vote for such directors may call a special meeting of shareholders, or

(2) The superior court of the proper county shall, upon application of such shareholder or shareholders, summarily order a special meeting of shareholders,

to be held to elect the entire board. The term of office of any director shall terminate upon such election of a successor.

The hearing on any application filed pursuant to this subdivision shall be held on not less than 10 business days' notice to the

corporation. If the corporation intends to oppose the application, it shall file with the court a notice of opposition not later than five business days prior to the date set for the hearing. The application and any notice of opposition shall be supported by appropriate affidavits and the court's determination shall be made on the basis of the papers in the record; but, for good cause shown, the court may receive and consider at the hearing additional evidence, oral or documentary, and additional points and authorities. The hearing shall take precedence over all other matters not of a similar nature pending on the date set for the hearing.

(d) Any director may resign effective upon giving written notice to the chairman of the board, the president, the secretary or the board of directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

SEC. 8. Section 307 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

307. (a) Unless otherwise provided in the articles or (subject to paragraph (5) of subdivision (a) of Section 204) in the bylaws:

(1) Meetings of the board may be called by the chairman of the board or the president or any vice president or the secretary or any two directors.

(2) Regular meetings of the board may be held without notice if the time and place of such meetings are fixed by the bylaws or the board. Special meetings of the board shall be held upon four days' notice by mail or 48 hours' notice delivered personally or by telephone or telegraph. The articles or bylaws may not dispense with notice of a special meeting. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the board.

(3) Notice of a meeting need not be given to any director who signs a waiver of notice, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director.

(4) A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

(5) Meetings of the board may be held at any place within or without the state which has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, designated in the bylaws or by resolution of the board.

(6) Members of the board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this subdivision constitutes presence in person at such meeting.

(7) A majority of the authorized number of directors constitutes a quorum of the board for the transaction of business. The articles or bylaws may not provide that a quorum shall be less than one-third the authorized number of directors or less than two, whichever is larger, unless the authorized number of directors is one, in which case one director constitutes a quorum.

(8) Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board, subject to the provisions of Section 310 and subdivision (e) of Section 317. The articles or bylaws may not provide that a lesser vote than a majority of the directors present at a meeting is the act of the board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

(b) The transactions of any meeting of the board, however called and noticed or wherever held, are as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(c) Any action required or permitted to be taken by the board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

(d) The provisions of this section apply also to committees of the board and action by such committees, *mutatis mutandis*.

SEC. 9. Section 308 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

308. (a) If a corporation has an even number of directors who are equally divided and cannot agree as to the management of its affairs, so that its business can no longer be conducted to advantage or so that there is danger that its property and business will be impaired or lost, the superior court of the proper county may, notwithstanding any provisions of the articles or bylaws and whether or not an action is pending for an involuntary winding up or dissolution of the corporation, appoint a provisional director pursuant to this section. Action for such appointment may be brought by any director or by the holders of not less than 33⅓ percent of the voting power.

(b) If a corporation has an uneven number of directors and the shareholders are deadlocked so that they cannot elect a successor board at an annual meeting of shareholders, the superior court of the proper county may, notwithstanding any provisions of the articles or bylaws, upon petition of a shareholder or shareholders holding 50

percent of the voting power, appoint a provisional director or directors pursuant to this section or order such other equitable relief as the court deems appropriate.

(c) A provisional director shall be an impartial person, who is neither a shareholder nor a creditor of the corporation, nor related by consanguinity or affinity within the third degree according to the common law to any of the other directors of the corporation or to any judge of the court by which such provisional director is appointed. A provisional director shall have all the rights and powers of a director until the deadlock in the board or among shareholders is broken or until such provisional director is removed by order of the court or by approval of the outstanding shares (Section 152). Such person shall be entitled to such compensation as shall be fixed by the court unless otherwise agreed with the corporation.

(d) This section does not apply to corporations subject to the Banking Law (Division 1 (commencing with Section 99) of the Financial Code) or the Public Utilities Act (Part 1 (commencing with Section 201) of Division 1 of the Public Utilities Code).

SEC. 9.5. Section 309 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

309. (a) A director shall perform the duties of a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

(b) In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented,

(2) Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence, or

(3) A committee of the board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence,

so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

(c) A person who performs the duties of a director in accordance with subdivisions (a) and (b) shall have no liability based upon any alleged failure to discharge the person's obligations as a director.

SEC. 10. Section 310 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

310. (a) No contract or other transaction between a corporation and one or more of its directors, or between a corporation and any corporation, firm or association in which one or more of its directors has a material financial interest, is either void or voidable because such director or directors or such other corporation, firm or association are parties or because such director or directors are present at the meeting of the board or a committee thereof which authorizes, approves or ratifies the contract or transaction, if

(1) The material facts as to the transaction and as to such director's interest are fully disclosed or known to the shareholders and such contract or transaction is approved by the shareholders (Section 153) in good faith, with the shares owned by the interested director or directors not being entitled to vote thereon, or

(2) The material facts as to the transaction and as to such director's interest are fully disclosed or known to the board or committee, and the board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the interested director or directors and the contract or transaction is just and reasonable as to the corporation at the time it is authorized, approved or ratified, or

(3) As to contracts or transactions not approved as provided in paragraph (1) or (2) of this subdivision, the person asserting the validity of the contract or transaction sustains the burden of proving that the contract or transaction was just and reasonable as to the corporation at the time it was authorized, approved or ratified.

A mere common directorship does not constitute a material financial interest within the meaning of this subdivision. A director is not interested within the meaning of this subdivision in a resolution fixing the compensation of another director as a director, officer or employee of the corporation, notwithstanding the fact that the first director is also receiving compensation from the corporation.

(b) No contract or other transaction between a corporation and any corporation or association of which one or more of its directors are directors is either void or voidable because such director or directors are present at the meeting of the board or a committee thereof which authorizes, approves or ratifies the contract or transaction, if

(1) The material facts as to the transaction and as to such director's other directorship are fully disclosed or known to the board or committee, and the board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director or directors or the contract or transaction is approved by the shareholders (Section 153) in good faith, or

(2) As to contracts or transactions not approved as provided in paragraph (1) of this subdivision, the contract or transaction is just and reasonable as to the corporation at the time it is authorized,

approved or ratified.

This subdivision does not apply to contracts or transactions covered by subdivision (a).

(c) Interested or common directors may be counted in determining the presence of a quorum at a meeting of the board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

SEC. 10.5. Section 312 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

312. (a) A corporation shall have a chairman of the board or a president or both, a secretary, a chief financial officer and such other officers with such titles and duties as shall be stated in the bylaws or determined by the board and as may be necessary to enable it to sign instruments and share certificates. The president, or if there is no president the chairman of the board, is the general manager and chief executive officer of the corporation, unless otherwise provided in the articles or bylaws. Any number of offices may be held by the same person unless the articles or bylaws provide otherwise.

(b) Except as otherwise provided by the articles or bylaws, officers shall be chosen by the board and serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment. Any officer may resign at any time upon written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

SEC. 10.7. Section 316 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

316. (a) Subject to the provisions of Section 309, directors of a corporation who approve any of the following corporate actions shall be jointly and severally liable to the corporation for the benefit of all of the creditors or shareholders entitled to institute an action under subdivision (c):

(1) The making of any distribution to its shareholders to the extent that it is contrary to the provisions of Sections 500 to 503, inclusive.

(2) The distribution of assets to shareholders after institution of dissolution proceedings of the corporation, without paying or adequately providing for all known liabilities of the corporation, excluding any claims not filed by creditors within the time limit set in a notice given to creditors under Chapters 18 (commencing with Section 1800), 19 (commencing with Section 1900) and 20 (commencing with Section 2000).

(3) The making of any loan or guaranty contrary to Section 315.

(b) A director who is present at a meeting of the board, or any committee thereof, at which action specified in subdivision (a) is taken and who abstains from voting shall be considered to have approved the action.

(c) Suit may be brought in the name of the corporation to enforce the liability (1) under paragraph (1) of subdivision (a) against any or all directors liable by the persons entitled to sue under subdivision

(b) of Section 506, (2) under paragraph (2) or (3) of subdivision (a) against any or all directors liable by any one or more creditors of the corporation whose debts or claims arose prior to the time of any of the corporate actions specified in paragraph (2) or (3) of subdivision (a) and who have not consented to the corporate action, whether or not they have reduced their claims to judgment, or (3) under paragraph (3) of subdivision (a) against any or all directors liable by any one or more holders of shares outstanding at the time of any corporate action specified in paragraph (3) of subdivision (a) who have not consented to the corporate action, without regard to the provisions of Section 800.

(d) The damages recoverable from a director under this section shall be the amount of the illegal distribution or the loss suffered by the corporation as a result of the illegal loan or guaranty, as the case may be, but not exceeding the liabilities of the corporation owed to nonconsenting creditors at the time of the violation and the injury suffered by nonconsenting shareholders, as the case may be.

(e) Any director sued under this section may implead all other directors liable and may compel contribution, either in that action or in an independent action against directors not joined in that action.

(f) Directors liable under this section shall also be entitled to be subrogated to the rights of the corporation:

(1) With respect to paragraph (1) of subdivision (a), against shareholders who received the distribution.

(2) With respect to paragraph (2) of subdivision (a), against shareholders who received the distribution of assets.

(3) With respect to paragraph (3) of subdivision (a), against the person who received the loan or guaranty.

Any director sued under this section may file a cross-complaint against the person or persons who are liable to such director as a result of the subrogation provided for in this subdivision or may proceed against them in an independent action.

SEC. 11. Section 317 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

317. (a) For the purposes of this section, "agent" means any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under subdivision (d) or paragraph (3) of subdivision (e).

(b) A corporation shall have power to indemnify any person who

was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

(c) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this subdivision (c):

(1) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such action was brought shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(3) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval.

(d) To the extent that an agent of a corporation has been successful on the merits in defense of any proceeding referred to in subdivision (b) or (c) or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

(e) Except as provided in subdivision (d), any indemnification under this section shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the

applicable standard of conduct set forth in subdivision (b) or (c), by:

(1) A majority vote of a quorum consisting of directors who are not parties to such proceeding;

(2) Approval of the shareholders (Section 153), with the shares owned by the person to be indemnified not being entitled to vote thereon; or

(3) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the corporation.

(f) Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this section.

(g) No provision made by a corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the articles, bylaws, a resolution of shareholders or directors, an agreement or otherwise, shall be valid unless consistent with this section. Nothing contained in this section shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

(h) No indemnification or advance shall be made under this section, except as provided in subdivision (d) or paragraph (3) of subdivision (e), in any circumstance where it appears:

(1) That it would be inconsistent with a provision of the articles, bylaws, a resolution of the shareholders or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

(i) A corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this section.

(j) This section does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent as defined in subdivision (a) of the employer corporation. Nothing contained in this section shall limit any right to indemnification to which such a trustee, investment manager or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by applicable law other than this section.

SEC. 11.3. Section 400 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

400. (a) A corporation may issue one or more classes or series of shares or both, with full, limited or no voting rights and with such other rights, preferences, privileges and restrictions as are stated or authorized in its articles. No denial or limitation of voting rights shall be effective unless at the time one or more classes or series of outstanding shares or debt securities, singly or in the aggregate, are entitled to full voting rights; and no denial or limitation of dividend or liquidation rights shall be effective unless at the time one or more classes or series of outstanding shares, singly or in the aggregate, are entitled to unlimited dividend and liquidation rights.

(b) All shares of any one class shall have the same voting, conversion and redemption rights and other rights, preferences, privileges and restrictions, unless the class is divided into series. If a class is divided into series, all the shares of any one series shall have the same voting, conversion and redemption rights and other rights, preferences, privileges and restrictions.

SEC. 11.6. Section 402 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

402. (a) A corporation may provide in its articles for one or more classes or series of shares which are redeemable, in whole or in part, at the option of the corporation only (except as provided in subdivision (b)), at such price or prices, within such time or upon the happening of one or more specified events and upon such terms and conditions as are stated in the articles.

(b) A corporation shall not issue redeemable or other shares which purport by their terms to grant to any holder thereof the right to compel the corporation to redeem such shares, except that an open-end investment company registered under the United States Investment Company Act of 1940 may, if its articles so provide, issue shares which are redeemable at the option of the holder at a price approximately equal to the shares' proportionate interest in the net assets of the corporation and a shareholder may compel redemption of such shares in accordance with their terms.

(c) No redeemable common shares, other than (1) those authorized under subdivision (b), (2) shares of a corporation which has a license or franchise from a governmental agency to conduct its business or is a member corporation of a national securities exchange registered under the United States Securities Exchange Act of 1934, which license, franchise or membership is conditioned upon some or all of the holders of its stock possessing prescribed qualifications, to the extent necessary to prevent the loss of such license, franchise or membership or to reinstate it, or (3) shares of a professional corporation as defined in Part 4 (commencing with Section 13400) of Division 3 of this title, shall be issued or redeemed unless the corporation at the time has outstanding a class of common shares that is not subject to redemption.

(d) Nothing in this section shall prevent a corporation from

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creating a sinking fund or similar provision for, or entering into an agreement for, the redemption or purchase of its shares to the extent permitted by Chapter 5 (commencing with Section 500).

SEC. 12. Section 407 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

407. A corporation may, but is not required to, issue fractions of a share originally or upon transfer. If it does not issue fractions of a share, it shall in connection with any original issuance of shares (a) arrange for the disposition of fractional interests by those entitled thereto, (b) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined or (c) issue scrip or warrants in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or warrants aggregating a full share; provided, however, that, if the fraction of a share which any person would otherwise be entitled to receive in a merger or reorganization is less than one-half of 1 percent of the total shares such person is entitled to receive, a merger or reorganization agreement may provide that fractions of a share will be disregarded or that shares issuable in the merger will be rounded off to the nearest whole share; and provided, further, that a corporation may not pay cash for fractional shares if such action would result in the cancellation of more than 10 percent of the outstanding shares of any class. A determination by the board of the fair value of fractions of a share shall be conclusive in the absence of fraud. A certificate for a fractional share shall, but scrip or warrants shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon and to participate in any of the assets of the corporation in the event of liquidation. The board may cause scrip or warrants to be issued subject to the condition that they shall become void if not exchanged for certificates representing full shares before a specified date or that the shares for which scrip or warrants are exchangeable may be sold by the corporation and the proceeds thereof distributed to the holder of the scrip or warrants or any other condition which the board may impose.

SEC. 13. Section 423 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

423. (a) Shares are not assessable except as provided in this section or as otherwise provided by a statute other than this division. If the articles expressly confer such authority upon the corporation or the board, and subject to any limitations therein contained, the board may in its discretion levy and collect assessments upon all shares of any or all classes made subject to assessment by the articles. This authority is in addition to the right of the corporation to recover the unpaid subscription price of shares or the remainder of the consideration to be paid therefor.

(b) Every levy of an assessment shall: specify the amount thereof and to whom and where it is payable; fix, or if proceedings or filings with any governmental or other agency for any qualification,

registration or exemption therefrom are required as a condition precedent to the levy or payment of an assessment provide for the establishment of, a date on which the assessment is payable; fix a date, not less than 30 nor more than 60 days from the date on which the assessment is payable, on which such assessment becomes delinquent if not paid; and fix a date, not less than 15 nor more than 60 days from the date on which the unpaid assessment becomes delinquent, for the sale of delinquent shares. The levy also shall fix the hour and place of sale, which place shall be in the county where the corporation is required to keep a copy of its bylaws pursuant to Section 213, or if there is no such county, in Sacramento.

(c) On or before the date an assessment is payable, the secretary of the corporation shall give notice thereof in substantially the following form:

(Name of corporation in full. Location of principal executive office.)

Notice is hereby given that the board of directors on (date) has levied an assessment of (amount) per share upon the (name or designation of class or series of shares) of the corporation payable (to whom and where). Any shares upon which this assessment remains unpaid on (date fixed) will be delinquent. Unless payment is made prior to delinquency, the said shares, or as many of them as may be necessary, will be sold at (particular place) on (date) at (hour) of such day, to pay the delinquent assessment, together with a penalty of 5 percent of the amount of the assessment on such shares, or be forfeited to the corporation. (Name of secretary with location of office.)

(d) The notice shall be served personally upon each holder of record of shares assessed; provided, however, that in lieu of personal service the notice may be mailed to each such shareholder addressed to the last address of the shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice, or if no such address appears or is given, at the place where the principal executive office of the corporation is located, and published once in some newspaper of general circulation in the county in which the principal executive office of the corporation is located. If there is no such newspaper in such county, the publication shall be made in some newspaper of general circulation in an adjoining county.

(e) The assessment is a lien upon the shares assessed from the time of personal service or the publication of the notice of assessment, unless the articles provide for such lien from the time of the levy. Unless otherwise provided by law, a transfer of the shares on the books of the corporation after the lien of an assessment has attached is a waiver of the lien unless a conspicuous legend is placed on the face of any certificate issued upon such transfer setting forth the information contained in the notice required by subdivision (c). Such legend shall be removed if the assessment on the shares evidenced by the certificate is paid or if the shares are sold to pay

the assessment or forfeited for nonpayment.

(f) The date of sale of delinquent shares fixed in any levy of an assessment may be extended from time to time for not more than 30 days at a time by order of the board entered on the records of the corporation, or when the sale is restrained by order of a court. Notice of such extension shall be given by announcement by the secretary, or other person authorized to conduct the sale, made at the time and place of sale last theretofore fixed.

If a date of sale of delinquent shares is extended for more than five days the corporation shall cause a notice to be mailed to the shareholder or shareholders whose shares are to be the subject of such sale setting forth the date and time to which the date of sale has been extended.

(g) If payment is made after delinquency and before the sale, the shareholder shall pay a penalty of 5 percent of the amount of the assessment on the shares in addition to the assessment.

(h) At the place and time appointed in the notice of levy any officer or an agent of the corporation, shall, unless otherwise ordered by the board, sell or cause to be sold to the highest bidder for cash as many shares of each delinquent holder of the assessed shares as may be necessary to pay the assessment and charges thereon according to the notice.

The person offering at the sale to pay the assessment and penalty for the smallest number of shares is the highest bidder. The shares purchased shall be transferred to the highest bidder on the share register of the corporation on the payment of the assessment and penalty and a new certificate therefor issued to such highest bidder.

A corporation is not required to accept an offer for a fraction of a share.

(i) If no bidder offers to pay the amount due on the shares, together with the penalty of 5 percent thereof, the shares shall be forfeited to the corporation in satisfaction of the assessment and penalty thereon.

(j) After a sale or forfeiture of shares for nonpayment of an assessment, the holder or owner of delinquent shares shall surrender the certificate for such shares to the corporation for cancellation. This duty may be enforced by order or decree of court and such holder or owner shall be liable for damages to the corporation for failure to surrender the certificate for cancellation upon demand without good cause or excuse.

Any certificate not so surrendered forthwith becomes null and void and ceases to be evidence of the right or title of the holder or any transferee to the shares purporting to be represented thereby, and neither the corporation nor the purchaser of such shares incurs any liability thereon to any such transferee.

The purchaser of any shares, at a sale for delinquent assessments thereon, whenever made, is entitled to the issue of a new certificate representing the shares so purchased.

(k) The certificate of the secretary or assistant secretary of the

corporation is prima facie evidence of the time and place of sale and any postponement thereof, of the quantity and particular description of the shares sold, to whom, for what price, and of the fact of payment of the purchase money. The certificate shall be filed in the office of the corporation, and copies of the certificate, certified by the secretary or an assistant secretary of the corporation, are prima facie evidence of the facts therein stated.

(*l*) An assessment is not invalidated by a failure to publish the notice of assessment, nor by the nonperformance of any act required in order to enforce the payment of the assessment; but in case of any substantial error or omission in the course of proceedings for collection of an assessment on any shares, all previous proceedings, except the levy of the assessment, are void as to such shares, and shall be taken anew.

(m) No action shall be maintained to recover shares sold for delinquent assessments, upon the ground of irregularity in the assessment, irregularity or defect of the notice of sale, or defect or irregularity in the sale, unless the party seeking to maintain the action first pays or tenders to the corporation, or the party holding the shares sold, the sum for which the shares were sold, together with all subsequent assessments which may have been paid thereon and interest on such sums from the time they were paid. No such action shall be maintained unless it is commenced by the filing of a complaint and the issuing of a summons thereon within six months after the sale was made.

(n) The only remedy for the collection of an assessment on fully paid shares is sale or forfeiture of the shares unless (1) remedy by action is expressly authorized in the original articles or by an amendment of the articles adopted before August 21, 1933, or by an amendment adopted on or after August 21, 1933, by unanimous consent of the shareholders, and (2) unless a statement of such remedy appears on the face of any share certificate issued on or after August 21, 1933.

SEC. 14. Section 500 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

500. Neither a corporation nor any of its subsidiaries shall make any distribution to the corporation's shareholders (Section 166) unless:

(a) The amount of the retained earnings of the corporation immediately prior thereto equals or exceeds the amount of the proposed distribution; or

(b) Immediately after giving effect thereto:

(1) The sum of the assets of the corporation (exclusive of goodwill, capitalized research and development expenses and deferred charges) would be at least equal to 1¼ times its liabilities (not including deferred taxes, deferred income and other deferred credits); and

(2) The current assets of the corporation would be at least equal to its current liabilities or, if the average of the earnings of the

corporation before taxes on income and before interest expense for the two preceding fiscal years was less than the average of the interest expense of the corporation for such fiscal years, at least equal to 1¼ times its current liabilities;

provided, however, that in determining the amount of the assets of the corporation no appreciation in value not yet realized shall in any event be included, except with respect to readily marketable securities, and profits derived from an exchange of assets shall not be included unless the assets received are currently realizable in cash; and provided, further, that for the purpose of this subdivision "current assets" may include net amounts which the board has determined in good faith may reasonably be expected to be received from customers during the 12-month period used in calculating current liabilities pursuant to existing contractual relationships obligating such customers to make fixed or periodic payments during the term of the contract or, in the case of public utilities, pursuant to service connections with customers, after in each case giving effect to future costs not then included in current liabilities but reasonably expected to be incurred by the corporation in performing such contracts or providing service to utility customers. The amount of any distribution payable in property shall, for the purpose of this chapter, be determined on the basis of the value at which such property is carried on the corporation's financial statements in accordance with generally accepted accounting principles. Paragraph (2) of subdivision (b) is not applicable to a corporation which does not classify its assets into current and fixed under generally accepted accounting principles.

SEC. 15. Section 502 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

502. Neither a corporation nor any of its subsidiaries shall make any distribution to the corporation's shareholders (Section 166) on any shares of its stock of any class or series which are junior to outstanding shares of any other class or series with respect to distribution of assets on liquidation if, after giving effect thereto, the excess of its assets (exclusive of goodwill, capitalized research and development expenses and deferred charges) over its liabilities (not including deferred taxes, deferred income and other deferred credits) would be less than the liquidation preference of all shares having a preference on liquidation over the class or series to which the distribution is made.

SEC. 15.3. Section 504 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

504. The provisions of Section 500 do not apply to any dividend declared by a regulated investment company, as defined in the United States Internal Revenue Code, to the extent that the dividend is necessary to maintain the status of the corporation as a regulated investment company under the provisions of that code. The provisions of this chapter do not apply to any purchase or redemption of shares redeemable at the option of the holder by a

registered open-end investment company under the United States Investment Company Act of 1940, so long as the right of redemption remains unsuspended under the provisions of that statute and the articles and bylaws of the corporation.

SEC. 15.5. Section 506 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

506. (a) Any shareholder who receives any distribution prohibited by this chapter with knowledge of facts indicating the impropriety thereof is liable to the corporation for the benefit of all of the creditors or shareholders entitled to institute an action under subdivision (b) for the amount so received by such shareholder with interest thereon at the legal rate on judgments until paid, but not exceeding the liabilities of the corporation owed to nonconsenting creditors at the time of the violation and the injury suffered by nonconsenting shareholders, as the case may be.

(b) Suit may be brought in the name of the corporation to enforce the liability (1) to creditors arising under subdivision (a) for a violation of Section 500 or 501 against any or all shareholders liable by any one or more creditors of the corporation whose debts or claims arose prior to the time of the distribution to shareholders and who have not consented thereto, whether or not they have reduced their claims to judgment, or (2) to shareholders arising under subdivision (a) for a violation of Section 502 or 503 against any or all shareholders liable by any one or more holders of preferred shares outstanding at the time of the distribution who have not consented thereto, without regard to the provisions of Section 800.

(c) Any shareholder sued under this section may implead all other shareholders liable under this section and may compel contribution, either in that action or in an independent action against shareholders not joined in that action.

(d) Nothing contained in this section affects any liability which any shareholder may have under Sections 3439 to 3439.12, inclusive, of the Civil Code.

SEC. 15.7. Section 507 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

507. Each dividend other than one chargeable to retained earnings shall be identified in a notice to shareholders as being made from a source other than retained earnings, stating the accounting treatment thereof. The notice shall accompany the dividend or shall be given within three months after the end of the fiscal year in which the dividend is paid.

SEC. 16. Section 600 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

600. (a) Meetings of shareholders may be held at such place within or without this state as may be stated in or fixed in accordance with the bylaws. If no other place is stated or so fixed, shareholder meetings shall be held at the principal executive office of the corporation.

(b) An annual meeting of shareholders shall be held for the

election of directors on a date and at a time stated in or fixed in accordance with the bylaws. Any other proper business may be transacted at the annual meeting.

(c) If there is a failure to hold the annual meeting for a period of 60 days after the date designated therefor or, if no date has been designated, for a period of 15 months after the organization of the corporation or after its last annual meeting, the superior court of the proper county may summarily order a meeting to be held upon the application of any shareholder after notice to the corporation giving it an opportunity to be heard. The shares represented at such meeting, either in person or by proxy, and entitled to vote thereat shall constitute a quorum for the purpose of such meeting, notwithstanding any provision of the articles or bylaws or in this division to the contrary. The court may issue such orders as may be appropriate, including, without limitation, orders designating the time and place of such meeting, the record date for determination of shareholders entitled to vote and the form of notice of such meeting.

(d) Special meetings of the shareholders may be called by the board, the chairman of the board, the president or the holders of shares entitled to cast not less than 10 percent of the votes at the meeting or such additional persons as may be provided in the articles or bylaws.

SEC. 16.1. Section 601 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

601. (a) Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given not less than 10 nor more than 60 days before the date of the meeting to each shareholder entitled to vote thereat. Such notice shall state the place, date and hour of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of the annual meeting, those matters which the board, at the time of the mailing of the notice, intends to present for action by the shareholders, but subject to the provisions of subdivision (f) any proper matter may be presented at the meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the time of the notice to be presented by management for election.

(b) Notice of a shareholders' meeting or any report shall be given either personally or by mail or other means of written communication, addressed to the shareholder at the address of such shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice; or if no such address appears or is given, at the place where the principal executive office of the corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal executive office is located. The notice or report shall be deemed to have been given at the time when delivered personally

or deposited in the mail or sent by other means of written communication. An affidavit of mailing of any notice or report in accordance with the provisions of this division, executed by the secretary, assistant secretary or any transfer agent, shall be prima facie evidence of the giving of the notice or report.

If any notice or report addressed to the shareholder at the address of such shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the shareholder at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the shareholder upon written demand of the shareholder at the principal executive office of the corporation for a period of one year from the date of the giving of the notice or report to all other shareholders.

(c) Upon request in writing to the chairman of the board, president, vice president or secretary by any person (other than the board) entitled to call a special meeting of shareholders, the officer forthwith shall cause notice to be given to the shareholders entitled to vote that a meeting will be held at a time requested by the person or persons calling the meeting, not less than 35 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after receipt of the request, the persons entitled to call the meeting may give the notice or the superior court of the proper county shall summarily order the giving of the notice, after notice to the corporation giving it an opportunity to be heard. The procedure provided in subdivision (c) of Section 305 shall apply to such application. The court may issue such orders as may be appropriate, including, without limitation, orders designating the time and place of the meeting, the record date for determination of shareholders entitled to vote and the form of notice.

(d) When a shareholders' meeting is adjourned to another time or place, unless the bylaws otherwise require and except as provided in this subdivision, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

(e) The transactions of any meeting of shareholders, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate

records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by this division to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of shareholders need be specified in any written waiver of notice, unless otherwise provided in the articles or bylaws, except as provided in subdivision (f).

(f) Any shareholder approval at a meeting, other than unanimous approval by those entitled to vote, pursuant to Section 310, 902, 1201, 1900 or 2007 shall be valid only if the general nature of the proposal so approved was stated in the notice of meeting or in any written waiver of notice.

SEC. 16.3. Section 603 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

603. (a) Unless otherwise provided in the articles, any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Unless the consents of all shareholders entitled to vote have been solicited in writing,

(1) Notice of any shareholder approval pursuant to Section 310, 317, 1201 or 2007 without a meeting by less than unanimous written consent shall be given at least 10 days before the consummation of the action authorized by such approval, and

(2) Prompt notice shall be given of the taking of any other corporate action approved by shareholders without a meeting by less than unanimous written consent,

to those shareholders entitled to vote who have not consented in writing. Subdivision (b) of Section 601 applies to such notice.

(c) Any shareholder giving a written consent, or the shareholder's proxyholders, or a transferee of the shares or a personal representative of the shareholder or their respective proxyholders, may revoke the consent by a writing received by the corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the secretary of the corporation, but may not do so thereafter. Such revocation is effective upon its receipt by the secretary of the corporation.

(d) Notwithstanding subdivision (a), subject to subdivision (b) of Section 305 directors may not be elected by written consent except

by unanimous written consent of all shares entitled to vote for the election of directors.

SEC. 16.5. Section 701 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

701. (a) In order that the corporation may determine the shareholders entitled to notice of any meeting or to vote or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days prior to the date of such meeting nor more than 60 days prior to any other action.

(b) If no record date is fixed:

(1) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(2) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the board has been taken, shall be the day on which the first written consent is given.

(3) The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(c) A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting, but the board shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

(d) Shareholders on the record date are entitled to notice and to vote or to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the articles or by agreement or in this division.

SEC. 16.6. Section 702 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

702. (a) Subject to subdivision (c) of Section 703, shares held by an administrator, executor, guardian, conservator or custodian may be voted by such holder either in person or by proxy, without a transfer of such shares into the holder's name; and shares standing in the name of a trustee may be voted by the trustee, either in person or by proxy, but no trustee shall be entitled to vote shares held by such trustee without a transfer of such shares into the trustee's name.

(b) Shares standing in the name of a receiver may be voted by such receiver; and shares held by or under the control of a receiver

may be voted by such receiver without the transfer thereof into the receiver's name if authority to do so is contained in the order of the court by which such receiver was appointed.

(c) Subject to the provisions of Section 705 and except where otherwise agreed in writing between the parties, a shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

(d) Shares standing in the name of a minor may be voted and the corporation may treat all rights incident thereto as exercisable by the minor, in person or by proxy, whether or not the corporation has notice, actual or constructive, of the nonage, unless a guardian of the minor's property has been appointed and written notice of such appointment given to the corporation.

SEC. 16.8. Section 703 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

703. (a) Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxyholder as the bylaws of such other corporation may prescribe or, in the absence of such provision, as the board of such other corporation may determine or, in the absence of such determination, by the chairman of the board, president or any vice president of such other corporation, or by any other person authorized to do so by the chairman of the board, president or any vice president of such other corporation. Shares which are purported to be voted or any proxy purported to be executed in the name of a corporation (whether or not any title of the person signing is indicated) shall be presumed to be voted or the proxy executed in accordance with the provisions of this subdivision, unless the contrary is shown.

(b) Shares of a corporation owned by its subsidiary shall not be entitled to vote on any matter.

(c) Shares held by the issuing corporation in a fiduciary capacity, and shares of an issuing corporation held in a fiduciary capacity by its subsidiary, shall not be entitled to vote on any matter, except to the extent that the settlor or beneficial owner possesses and exercises a right to vote or to give the corporation binding instructions as to how to vote such shares.

SEC. 16.9. Section 706 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

706. (a) Notwithstanding any other provision of this division, an agreement between two or more shareholders of a close corporation, if in writing and signed by the parties thereto, may provide that in exercising any voting rights the shares held by them shall be voted as provided by the agreement, or as the parties may agree or as determined in accordance with a procedure agreed upon by them, and the parties may transfer the shares covered by such an agreement to a third party or parties with authority to vote them in accordance with the terms of the agreement. Such an agreement

shall not be denied specific performance by a court on the ground that the remedy at law is adequate or on other grounds relating to the jurisdiction of a court of equity. An agreement made pursuant to this subdivision between shareholders of a close corporation shall terminate when the corporation ceases to be a close corporation, except that if the agreement so provides it shall continue to the extent it is enforceable apart from this subdivision.

(b) Shares in any corporation may be transferred by written agreement to trustees in order to confer upon them the right to vote and otherwise represent the shares for such period of time, not exceeding 10 years, as may be specified in the agreement. The validity of a voting trust agreement, otherwise lawful, shall not be affected during a period of 10 years from the date when it was created or last extended as hereinafter provided by the fact that under its terms it will or may last beyond such 10-year period. At any time within two years prior to the time of expiration of any voting trust agreement as originally fixed or as last extended as provided in this subdivision, one or more beneficiaries under the voting trust agreement may, by written agreement and with the written consent of the voting trustee or trustees, extend the duration of the voting trust agreement with respect to their shares for an additional period not exceeding 10 years from the expiration date of the trust as originally fixed or as last extended as provided in this subdivision. A duplicate of the voting trust agreement and any extension thereof shall be filed with the secretary of the corporation and shall be open to inspection by a shareholder, a holder of a voting trust certificate or the agent of either, upon the same terms as the record of shareholders of the corporation is open to inspection.

(c) No agreement made pursuant to subdivision (a) shall be held to be invalid or unenforceable on the ground that it is a voting trust which does not comply with subdivision (b).

(d) This section shall not invalidate any voting or other agreement among shareholders or any irrevocable proxy complying with subdivision (e) of Section 705, which agreement or proxy is not otherwise illegal.

SEC. 17. Section 800 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

800. (a) As used in this section, "corporation" includes an unincorporated association; "board" includes the managing body of an unincorporated association; "shareholder" includes a member of an unincorporated association; and "shares" includes memberships in an unincorporated association.

(b) No action may be instituted or maintained in right of any domestic or foreign corporation by any holder of shares or of voting trust certificates of such corporation unless both of the following conditions exist:

(1) The plaintiff alleges in the complaint that plaintiff was a shareholder, of record or beneficially, or the holder of voting trust certificates at the time of the transaction or any part thereof of which

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plaintiff complains or that plaintiff's shares or voting trust certificates thereafter devolved upon plaintiff by operation of law from a holder who was a holder at the time of the transaction or any part thereof complained of; provided, that any shareholder who does not meet such requirements may nevertheless be allowed in the discretion of the court to maintain such action on a preliminary showing to and determination by the court, by motion and after a hearing, at which the court shall consider such evidence, by affidavit or testimony, as it deems material, that (i) there is a strong prima facie case in favor of the claim asserted on behalf of the corporation, (ii) no other similar action has been or is likely to be instituted, (iii) the plaintiff acquired the shares before there was disclosure to the public or to the plaintiff of the wrongdoing of which plaintiff complains, (iv) unless the action can be maintained the defendant may retain a gain derived from defendant's willful breach of a fiduciary duty, and (v) the requested relief will not result in unjust enrichment of the corporation or any shareholder of the corporation; and

(2) The plaintiff alleges in the complaint with particularity plaintiff's efforts to secure from the board such action as plaintiff desires, or the reasons for not making such effort, and alleges further that plaintiff has either informed the corporation or the board in writing of the ultimate facts of each cause of action against each defendant or delivered to the corporation or the board a true copy of the complaint which plaintiff proposes to file.

(c) In any action referred to in subdivision (b), at any time within 30 days after service of summons upon the corporation or upon any defendant who is an officer or director of the corporation, or held such office at the time of the acts complained of, the corporation or such defendant may move the court for an order, upon notice and hearing, requiring the plaintiff to furnish security as hereinafter provided. The motion shall be based upon one or both of the following grounds:

(1) That there is no reasonable possibility that the prosecution of the cause of action alleged in the complaint against the moving party will benefit the corporation or its shareholders.

(2) That the moving party, if other than the corporation, did not participate in the transaction complained of in any capacity.

The court on application of the corporation or any defendant may, for good cause shown, extend the 30-day period for an additional period or periods not exceeding 60 days.

(d) At the hearing upon any motion pursuant to subdivision (c), the court shall consider such evidence, written or oral, by witnesses or affidavit, as may be material (1) to the ground or grounds upon which the motion is based, or (2) to a determination of the probable reasonable expenses, including attorneys' fees, of the corporation and the moving party which will be incurred in the defense of the action. If the court determines, after hearing the evidence adduced by the parties, that the moving party has established a probability in support of any of the grounds upon which the motion is based, the

court shall fix the nature and amount of security, not to exceed fifty thousand dollars ($50,000), to be furnished by the plaintiff for reasonable expenses, including attorneys' fees, which may be incurred by the moving party and the corporation in connection with the action, including expenses for which the corporation may become liable pursuant to Section 317. A ruling by the court on the motion shall not be a determination of any issue in the action or of the merits thereof. The amount of the security may thereafter be increased or decreased in the discretion of the court upon a showing that the security provided has or may become inadequate or is excessive, but the court may not in any event increase the total amount of the security beyond fifty thousand dollars ($50,000) in the aggregate for all defendants. If the court, upon any such motion, makes a determination that security shall be furnished by the plaintiff as to any one or more defendants, the action shall be dismissed as to such defendant or defendants, unless the security required by the court shall have been furnished within such reasonable time as may be fixed by the court. The corporation and the moving party shall have recourse to the security in such amount as the court shall determine upon the termination of the action.

(e) If the plaintiff shall, either before or after a motion is made pursuant to subdivision (c), or any order or determination pursuant to such motion, post good and sufficient bond or bonds in the aggregate amount of fifty thousand dollars ($50,000) to secure the reasonable expenses of the parties entitled to make the motion, the plaintiff has complied with the requirements of this section and with any order for security theretofore made pursuant hereto, and any such motion then pending shall be dismissed and no further or additional bond or other security shall be required.

(f) If a motion is filed pursuant to subdivision (c), no pleadings need be filed by the corporation or any other defendant and the prosecution of the action shall be stayed until 10 days after the motion has been disposed of.

SEC. 18. Section 902 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

902. (a) After any shares have been issued, amendments may be adopted if approved by the board and approved by the outstanding shares (Section 152), either before or after the approval by the board.

(b) Notwithstanding subdivision (a), an amendment extending the corporate existence or making the corporate existence perpetual may be adopted by a corporation organized prior to August 14, 1929, with approval by the board alone.

(c) Notwithstanding subdivision (a), unless the corporation has more than one class of shares outstanding, an amendment effecting only a stock split (including any increase in the authorized number of shares required in connection therewith and taking account of shares then reserved for future issuance) may be adopted with approval by the board alone.

(d) Notwithstanding subdivision (a), an amendment deleting the

names and addresses of the first directors or the name and address of the initial agent may be adopted with approval by the board alone.

(e) Whenever the articles require for corporate action the vote of a larger proportion or of all of the shares of any class or series, or of a larger proportion or of all of the directors, than is otherwise required by this division, the provision in the articles requiring such greater vote shall not be altered, amended or repealed except by such greater vote unless otherwise provided in the articles.

(f) Notwithstanding subdivision (a), any amendment reducing the vote required for an amendment pursuant to subdivision (c) of Section 158 may not be adopted unless approved by the affirmative vote of at least two-thirds of each class of outstanding shares or such other vote as may then be specified by the articles of the corporation.

SEC. 18.3. Section 905 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

905. In the case of amendments adopted after the corporation has issued any shares, the corporation shall file a certificate of amendment, which shall consist of an officers' certificate stating:

(a) The wording of the amendment or amended articles in accordance with Section 907;

(b) That the amendment has been approved by the board;

(c) If the amendment is one for which the approval of the outstanding shares (Section 152) is required, that the amendment was approved by the required vote of shareholders in accordance with Section 902, 903 or 904; the total number of outstanding shares of each class entitled to vote with respect to the amendment; and that the number of shares of each class voting in favor of the amendment equaled or exceeded the vote required, specifying the percentage vote required of each class entitled to vote; and

(d) If the amendment is one which may be adopted with approval by the board alone, a statement of the facts entitling the board alone to adopt the amendment.

In the event of an amendment of the articles pursuant to a merger, the filing of the officers' certificate and agreement pursuant to Section 1103 or a certificate of ownership pursuant to subdivision (d) of Section 1110 shall be in lieu of any filing required under this chapter.

SEC. 18.6. Section 907 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

907. The certificate of amendment shall establish the wording of the amendment or amended articles by one or more of the following means:

(a) By stating that the articles shall be amended to read as therein set forth in full.

(b) By stating that any provision of the articles, which shall be identified by the numerical or other designation given it in the articles or by stating the wording thereof, shall be stricken from the articles or shall be amended to read as set forth in the certificate

(c) By stating that the provisions set forth therein shall be added

to the articles.

If the purpose of the amendment is to effect a stock split or reverse stock split or to reclassify, cancel, exchange, or otherwise change outstanding shares, the amended articles shall state the effect thereof on outstanding shares.

SEC. 18.8. Section 1001 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1001. (a) A corporation may sell, lease, convey, exchange, transfer or otherwise dispose of all or substantially all of its assets when the principal terms are

(1) Approved by the board, and

(2) Unless the transaction is in the usual and regular course of its business, approved by the outstanding shares (Section 152), either before or after approval by the board and before or after the transaction.

A transaction constituting a reorganization (Section 181) is subject to the provisions of Chapter 12 (commencing with Section 1200) and not this section.

(b) Notwithstanding approval of the outstanding shares (Section 152), the board may abandon the proposed transaction without further action by the shareholders, subject to the contractual rights, if any, of third parties.

(c) Such sale, lease, conveyance, exchange, transfer or other disposition may be made upon such terms and conditions and for such consideration as the board may deem in the best interests of the corporation. The consideration may be money, property or securities of any other corporation, domestic or foreign, or any of them.

(d) If the buyer in a sale of assets pursuant to subdivision (a) of this section or subdivision (g) of Section 2001 is in control of or under common control with the seller, the principal terms of the sale must be approved by at least 90 percent of the voting power unless the sale is to a domestic or foreign corporation in consideration of the nonredeemable common shares of the purchasing corporation or its parent.

SEC. 19. Section 1101 of the Corporations Code as added by Chapter 682 of the Statutes of 1975, is amended to read:

1101. The board of each corporation which desires to merge shall approve an agreement of merger. The agreement shall state:

(a) The terms and conditions of the merger;

(b) The amendments, subject to Sections 900 and 907, to the articles of the surviving corporation to be effected by the merger, if any; if any amendment changes the name of the surviving corporation the new name may be the same as or similar to the name of a disappearing domestic or foreign corporation, subject to subdivision (b) of Section 201;

(c) The name and place of incorporation of each constituent corporation and which of the constituent corporations is the surviving corporation;

(d) The manner of converting the shares of each of the

constituent corporations into shares or other securities of the surviving corporation and, if any shares of any of the constituent corporations are not to be converted solely into shares or other securities of the surviving corporation, the cash, property, rights or securities of any corporation which the holders of such shares are to receive in exchange for such shares, which cash, property, rights or securities of any corporation may be in addition to or in lieu of shares or other securities of the surviving corporation; and

(e) Such other details or provisions as are desired, if any, including, without limitation, a provision for the payment of cash in lieu of fractional shares or for any other arrangement with respect thereto consistent with the provisions of Section 407.

Each share of the same class or series of any constituent corporation (other than the cancellation of shares held by a surviving corporation or its parent or a wholly owned subsidiary of either in a constituent corporation) shall, unless all shareholders of the class or series consent and except as provided in Section 407, be treated equally with respect to any distribution of cash, property, rights or securities. Notwithstanding subdivision (d), except in a short-form merger, the nonredeemable common shares of a constituent corporation may be converted only into nonredeemable common shares of the surviving corporation or a parent party if a constituent corporation or its parent owns, directly or indirectly, shares of another constituent corporation representing more than 50 percent of the voting power of the other constituent corporation prior to the merger, unless all of the shareholders of the class consent and except as provided in Section 407.

SEC. 19.2. Section 1103 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1103. After approval of a merger by the board and any approval of the outstanding shares (Section 152) required by Chapter 12 (commencing with Section 1200), the surviving corporation shall file a copy of the agreement of merger with an officers' certificate of each constituent corporation attached stating the total number of outstanding shares of each class entitled to vote on the merger, that the agreement in the form attached was approved by that corporation by a vote of a number of shares of each class which equaled or exceeded the vote required, specifying each class entitled to vote and the percentage vote required of each class, or that the merger was entitled to be approved by the board alone under the provisions of Section 1201. If equity securities of a parent of a constituent corporation are to be issued in the merger, the officers' certificate of that constituent corporation shall state either that no vote of the shareholders of the parent was required or that the required vote was obtained. The merger and any amendment of the articles of the surviving corporation contained in the merger agreement shall thereupon be effective (subject to subdivision (c) of Section 110 and subject to the provisions of Section 1108) and the several parties thereto shall be one corporation. The agreement shall

not be filed, however, until there has been filed by or on behalf of each corporation taxed under the Bank and Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code), the existence of which is terminated by the merger, the certificate of satisfaction of the Franchise Tax Board that all taxes imposed by said law have been paid or secured. The Secretary of State may certify a copy of the merger agreement separate from the officers' certificates attached thereto.

SEC. 19.4. Section 1106 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1106. A copy of an agreement of merger certified on or after the effective date by an official having custody thereof has the same force in evidence as the original and, except as against the state, is conclusive evidence of the performance of all conditions precedent to the merger, the existence on the effective date of the surviving corporation and the performance of the conditions necessary to the adoption of any amendment to the articles contained in the agreement of merger.

SEC. 19.6. Section 1108 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1108. (a) The merger of any number of domestic corporations with any number of foreign corporations may be effected if the foreign corporations are authorized by the laws under which they are formed to effect such a merger. The surviving corporation may be any one of the constituent corporations and shall continue to exist under the laws of the state or place of its incorporation.

(b) If the surviving corporation is a domestic corporation, the merger proceedings with respect to that corporation and any domestic disappearing corporation shall conform to the provisions of this chapter governing the merger of domestic corporations, or to Section 1110, but if the surviving corporation is a foreign corporation, then, subject to the requirements of subdivision (d) and of Section 407 and Chapters 12 (commencing with Section 1200) and 13 (commencing with Section 1300) (with respect to any domestic constituent corporations), the merger proceedings may be in accordance with the laws of the state or place of incorporation of the surviving corporation.

(c) If the surviving corporation is a domestic corporation, the agreement and the officers' certificate of each domestic or foreign constituent corporation shall be filed as provided in Section 1103 and thereupon, subject to subdivision (c) of Section 110, the merger shall be effective as to each domestic constituent corporation; and each foreign disappearing corporation which is qualified for the transaction of intrastate business shall by virtue of the filing automatically surrender its right to transact intrastate business.

(d) Subject to Section 1110, if the surviving corporation is a foreign corporation, the merger shall become effective in accordance with the law of the jurisdiction in which it is organized, but shall be effective as to any domestic disappearing corporation as

of the time of filing in such foreign jurisdiction upon the filing in this state as required by this subdivision. There shall be filed as to the domestic disappearing corporation or corporations a copy of the agreement, certificate or other document filed by the surviving foreign corporation in the state or place of its incorporation for the purpose of effecting the merger, which copy shall be certified by the public officer having official custody of the original or, in lieu thereof, an executed counterpart of such agreement, certificate or other document; and each foreign disappearing corporation which is qualified for the transaction of intrastate business shall automatically by such filing surrender its right to transact intrastate business.

(e) The provisions of Chapters 12 (commencing with Section 1200) and 13 (commencing with Section 1300) apply to the rights of the shareholders of any of the constituent corporations which are domestic corporations and of any domestic corporation which is a parent party of any foreign constituent corporation.

SEC. 19.8. Section 1109 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1109. Whenever a domestic or foreign corporation having any real property in this state merges or consolidates with another corporation pursuant to the laws of this state or of the state or place in which any constituent corporation was incorporated, and the laws of the state or place of incorporation (including this state) of any disappearing corporation provide substantially that the making and filing of the agreement of merger or consolidation vests in the surviving or consolidated corporation all the real property of any disappearing corporation, the filing for record in the office of the county recorder of any county in this state in which any of the real property of such disappearing corporation is located of either (a) a certificate prescribed by the Secretary of State, or (b) a copy of the agreement of merger or consolidation, certified by the Secretary of State or an authorized public official of the state or place pursuant to the laws of which the merger or consolidation is effected, shall evidence record ownership in the surviving or consolidated corporation of all interest of such disappearing corporation in and to the real property located in that county.

SEC. 20. Section 1110 of the Corporations Code as added by Chapter 682 of the Statutes of 1975, is amended to read:

1110. (a) If a domestic corporation owns all the outstanding shares of a corporation or corporations, domestic or foreign, the merger of the subsidiary corporation or corporations into the parent corporation may be effected by a resolution adopted by the board of the parent corporation and the filing of a certificate of ownership as provided in subdivision (d). The resolution shall provide for the merger and shall provide that the parent corporation assumes all the liabilities of each subsidiary corporation.

(b) If a domestic corporation owns less than all the outstanding shares but at least 90 percent of the outstanding shares of each class of a corporation or corporations, domestic or foreign, the merger of

the subsidiary corporation or corporations into the parent corporation may be effected by resolutions adopted by the boards of the parent and each subsidiary corporation and the filing of a certificate of ownership as provided in subdivision (d). The resolution of the board of the parent corporation shall provide for the merger, shall provide that the parent corporation assumes all the liabilities of each subsidiary corporation and shall set forth the securities, cash, property or rights to be issued, paid, delivered or granted by the parent corporation upon surrender of each share of each subsidiary corporation not owned by the parent corporation. The resolution of the board of each subsidiary corporation shall approve the fairness of the consideration to be received for each share of the subsidiary corporation not owned by the parent corporation.

(c) In any merger pursuant to this section, the parent corporation may change its name, subject to Section 201, regardless of whether the name so adopted is the same as or similar to that of one of the disappearing corporations. In such case the resolution shall provide for the amendment of articles to change the name and shall establish the wording of the amendment as provided in Section 907.

(d) After adoption of the resolution or resolutions of merger, a certificate of ownership consisting of an officers' certificate of the parent corporation shall be filed, and a copy thereof for each domestic and qualified foreign disappearing corporation shall also be filed. The certificate of ownership shall:

(1) Identify the parent and subsidiary corporation or corporations.

(2) Set forth the share ownership by the parent corporation of each subsidiary corporation as 100 percent of the outstanding shares or as at least 90 percent of the outstanding shares of each class, as the case may be.

(3) Set forth the resolution adopted by the board of the parent corporation, including the resolution for change of name if applicable.

(4) Set forth the resolution adopted by the board of each subsidiary corporation, if required.

(e) The certificate of ownership shall not be filed, however, until there has been filed by or on behalf of each subsidiary corporation taxed under the Bank and Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code), the existence of which is terminated by the merger, the certificate of satisfaction of the Franchise Tax Board that all taxes imposed by such law have been paid or secured.

(f) Upon the filing of the certificate of ownership, the merger shall be effective and any amendment of the articles of the surviving corporation set forth in the certificate shall be effective.

(g) A merger pursuant to this section may be effected if the parent corporation is a foreign corporation and if at least one subsidiary corporation is a domestic corporation but in such a case

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the certificate of ownership prepared as in subdivision (d) shall be filed as to each domestic and qualified foreign subsidiary corporation, but no filing shall be made as to the foreign parent corporation.

(h) A foreign subsidiary corporation may not be merged as in this section provided and a foreign parent corporation may not act as in this section provided unless the laws of the state or place of its incorporation permit such action.

(i) In the event all of the outstanding shares of a subsidiary domestic corporation party to a merger effected under this section are not owned by the parent corporation immediately prior to the merger, the parent corporation shall, at least 10 days before the effective date of the merger, give notice to each shareholder of such subsidiary corporation that the merger will become effective on or after a specified date, which notice shall contain a copy of the resolutions of the boards of the parent and the subsidiary required by subdivision (b) and the information required by subdivision (a) of Section 1301. The notice shall be sent by mail addressed to the shareholder at the address of such shareholder as it appears on the records of the corporation. Any such shareholder shall have the right to demand payment of cash for the shares of such shareholder pursuant to the provisions of Chapter 13 (commencing with Section 1300).

SEC. 20.5. Section 1111 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1111. If any disappearing corporation in a merger is a close corporation and the surviving corporation is not a close corporation, the merger shall be approved by the affirmative vote of at least two-thirds of each class of the outstanding shares of such disappearing corporation; provided, however, that the articles may provide for a lesser vote, but not less than a majority of the outstanding shares of each class.

SEC. 21. Section 1201 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1201. (a) The principal terms of a reorganization shall be approved by the outstanding shares (Section 152) of each class of each corporation the approval of whose board is required under Section 1200, except as provided in subdivision (b) and except that (unless otherwise provided in the articles) no approval of any class of outstanding preferred shares of the surviving or acquiring corporation or parent party shall be required if the rights, preferences, privileges and restrictions granted to or imposed upon such class of shares remain unchanged (subject to the provisions of subdivision (c)). For the purpose of this subdivision, two classes of common shares differing only as to voting rights shall be considered as a single class of shares.

(b) No approval of the outstanding shares (Section 152) is required by subdivision (a) in the case of any corporation if such corporation, or its shareholders immediately before the reorganization, or both, shall own (immediately after the

reorganization) equity securities, other than any warrant or right to subscribe to or purchase such equity securities, of the surviving or acquiring corporation or a parent party (subdivision (d) of Section 1200) possessing more than five-sixths of the voting power of the surviving or acquiring corporation or parent party. In making the determination of ownership by the shareholders of a corporation, immediately after the reorganization, of equity securities pursuant to the preceding sentence, equity securities which they owned immediately before the reorganization as shareholders of another party to the transaction shall be disregarded. For the purpose of this section only, the voting power of a corporation shall be calculated by assuming the conversion of all equity securities convertible (immediately or at some future time) into shares entitled to vote but not assuming the exercise of any warrant or right to subscribe to or purchase such shares.

(c) Notwithstanding the provisions of subdivision (b), a reorganization shall be approved by the outstanding shares (Section 152) of the surviving corporation in a merger reorganization if any amendment is made to its articles which would otherwise require such approval.

(d) Notwithstanding the provisions of subdivision (b), a reorganization shall be approved by the outstanding shares (Section 152) of any class of a corporation which is a party to a merger or sale-of-assets reorganization if holders of shares of that class receive shares of the surviving or acquiring corporation having different rights, preferences, privileges or restrictions than those surrendered. Shares in a foreign corporation received in exchange for shares in a domestic corporation have different rights, preferences, privileges and restrictions within the meaning of the preceding sentence.

(e) Notwithstanding the provisions of subdivisions (a) and (b), a reorganization shall be approved by the affirmative vote of at least two-thirds of each class of the outstanding shares of any close corporation if the reorganization would result in their receiving shares of a corporation which is not a close corporation; provided, however, that the articles may provide for a lesser vote, but not less than the vote otherwise required by this section.

(f) Any approval required by this section may be given before or after the approval by the board. Notwithstanding approval required by this section, the board may abandon the proposed reorganization without further action by the shareholders, subject to the contractual rights, if any, of third parties.

SEC. 21.3. Section 1300 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1300. (a) If the approval of the outstanding shares (Section 152) of a corporation is required for a reorganization under subdivisions (a) and (b) or subdivision (e) of Section 1201, each shareholder of such corporation and each shareholder of a disappearing corporation in a short-form merger may, by complying with this chapter, require the corporation in which the shareholder holds shares to purchase for

cash at their fair market value the shares owned by the shareholder which are dissenting shares as defined in subdivision (b). The fair market value shall be determined as of the day before the first announcement of the terms of the proposed reorganization or short-form merger, excluding any appreciation or depreciation in consequence of the proposed action, but adjusted for any stock split, reverse stock split or share dividend which becomes effective thereafter.

(b) As used in this chapter, "dissenting shares" means shares which come within all of the following descriptions:

(1) Which were not immediately prior to the reorganization or short-form merger either (i) listed on any national securities exchange certified by the Commissioner of Corporations under subdivision (o) of Section 25100 or (ii) listed on the list of OTC margin stocks issued by the Board of Governors of the Federal Reserve System, and the notice of meeting of shareholders to act upon the reorganization summarizes the provisions of this section and Sections 1301, 1302, 1303 and 1304; provided, however, that this provision does not apply to any shares with respect to which there exists any restriction on transfer imposed by the corporation or by any law or regulation; and provided, further, that this provision does not apply to any class of shares described in clause (i) or (ii) if demands for payment are filed with respect to 5 percent or more of the outstanding shares of that class.

(2) Which were outstanding on the date for the determination of shareholders entitled to vote on the reorganization and (i) were not voted in favor of the reorganization or, (ii) if described in clause (i) or (ii) of paragraph (1) (without regard to the provisos in that paragraph), were voted against the reorganization, or which were held of record on the effective date of a short-form merger; provided, however, that clause (i) rather than clause (ii) of this paragraph applies in any case where the approval required by Section 1201 is sought by written consent rather than at a meeting.

(3) Which the dissenting shareholder has demanded that the corporation purchase at their fair market value, in accordance with Section 1301.

(4) Which the dissenting shareholder has submitted for endorsement, in accordance with Section 1302.

(c) As used in this chapter, "dissenting shareholder" means the recordholder of dissenting shares and includes a transferee of record

SEC. 21.6. Section 1301 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1301. (a) If, in the case of a reorganization, any shareholders of a corporation have a right under Section 1300 to require the corporation to purchase their shares for cash, such corporation shall mail to each such shareholder a notice of the approval of the reorganization by its outstanding shares (Section 152) within 10 days after the date of such approval, accompanied by a copy of Sections 1300, 1302, 1303, 1304 and this section, a statement of the price

determined by the corporation to represent the fair market value of the dissenting shares, and a brief description of the procedure to be followed if the shareholder desires to exercise the shareholder's right under such sections. The statement of price constitutes an offer by the corporation to purchase at the price stated any dissenting shares as defined in subdivision (b) of Section 1300, unless they lose their status as dissenting shares under Section 1309.

(b) Any shareholder who has a right to require the corporation to purchase the shareholder's shares for cash under Section 1300 and who desires the corporation to purchase such shares shall make written demand upon the corporation for the purchase of such shares and payment to the shareholder in cash of their fair market value. The demand is not effective for any purpose unless it is received by the corporation or any transfer agent thereof (1) in the case of shares described in clause (i) or (ii) of paragraph (1) of subdivision (b) of Section 1300 (without regard to the provisos in that paragraph), not later than the date of the shareholders' meeting to vote upon the reorganization, or (2) in any other case within 30 days after the date on which the notice of the approval by the outstanding shares pursuant to subdivision (a) or the notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder.

(c) The demand shall state the number and class of the shares held of record by the shareholder which the shareholder demands that the corporation purchase and shall contain a statement of what such shareholder claims to be the fair market value of those shares as of the day before the announcement of the proposed reorganization or short-form merger. The statement of fair market value constitutes an offer by the shareholder to sell the shares at such price.

SEC. 22. Section 1305 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1305. (a) If the court appoints an appraiser or appraisers, they shall proceed forthwith to determine the fair market value per share. Within the time fixed by the court, the appraisers, or a majority of them, shall make and file a report in the office of the clerk of the court. Thereupon, on the motion of any party, the report shall be submitted to the court and considered on such evidence as the court considers relevant. If the court finds the report reasonable, the court may confirm it.

(b) If a majority of the appraisers appointed fail to make and file a report within 10 days from the date of their appointment or within such further time as may be allowed by the court or the report is not confirmed by the court, the court shall determine the fair market value of the dissenting shares.

(c) Subject to the provisions of Section 1306, judgment shall be rendered against the corporation for payment of an amount equal to the fair market value of each dissenting share multiplied by the number of dissenting shares which any dissenting shareholder who is a party, or who has intervened, is entitled to require the

corporation to purchase, with interest thereon at the legal rate from the date on which judgment was entered.

(d) Any such judgment shall be payable only upon the endorsement and delivery to the corporation of the certificates for the shares described in the judgment. Any party may appeal from the judgment.

(e) The costs of the action, including reasonable compensation to the appraisers to be fixed by the court, shall be assessed or apportioned as the court considers equitable, but, if the appraisal exceeds the price offered by the corporation, the corporation shall pay the costs (including in the discretion of the court attorneys' fees, fees of expert witnesses and interest at the legal rate on judgments from the date of compliance with Sections 1300, 1301 and 1302 if the value awarded by the court for the shares is more than 125 percent of the price offered by the corporation under subdivision (a) of Section 1303*l*).

SEC. 22.5. Section 1312 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1312. (a) No shareholder of a corporation who has a right under this chapter to demand payment of cash for the shares held by the shareholder shall have any right at law or in equity to attack the validity of the reorganization or short-form merger, or to have the reorganization or short-form merger set aside or rescinded, except in an action to test whether the number of shares required to authorize or approve the reorganization have been legally voted in favor thereof; but any holder of shares of a class whose terms and provisions specifically set forth the amount to be paid in respect to them in the event of a reorganization or short-form merger is entitled to payment in accordance with those terms and provisions.

(b) If one of the parties to a reorganization or short-form merger is directly or indirectly controlled by, or under common control with, another party to the reorganization or short-form merger, subdivision (a) shall not apply to any shareholder of such party who has not demanded payment of cash for such shareholder's shares pursuant to this chapter; but if the shareholder institutes any action to attack the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded, the shareholder shall not thereafter have any right to demand payment of cash for the shareholder's shares pursuant to this chapter. The court in any action attacking the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded shall not restrain or enjoin the consummation of the transaction except upon 10-days prior notice to the corporation and upon a determination by the court that clearly no other remedy will adequately protect the complaining shareholder or the class of shareholders of which such shareholder is a member.

(c) If one of the parties to a reorganization or short-form merger is directly or indirectly controlled by, or under common control with,

another party to the reorganization or short-form merger, in any action to attack the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded, (1) a party to a reorganization or short-form merger which controls another party to the reorganization or short-form merger shall have the burden of proving that the transaction is just and reasonable as to the shareholders of the controlled party, and (2) a person who controls two or more parties to a reorganization shall have the burden of proving that the transaction is just and reasonable as to the shareholders of any party so controlled.

SEC. 23. Section 1501 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1501. (a) The board shall cause an annual report to be sent to the shareholders not later than 120 days after the close of the fiscal year, unless in the case of a corporation with less than 100 holders of record of its shares (determined as provided in Section 605) this requirement is expressly waived in the bylaws. Such report shall contain a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year, accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

Unless so waived, such report shall be sent to the shareholders at least 15 days prior to the annual meeting of shareholders to be held during the next fiscal year, but this requirement shall not limit the requirement for holding an annual meeting as required by Section 600.

(b) In addition to the financial statements required by subdivision (a), the annual report of any corporation having 100 or more holders of record of its shares (determined as provided in Section 605) and having no class of securities registered under Section 12 of the Securities Exchange Act of 1934, or exempted from such registration by Section 12(g)(2) of that act, shall also describe briefly:

(1) Any transaction (excluding compensation of officers and directors) during the previous fiscal year involving an amount in excess of forty thousand dollars ($40,000) (other than contracts let at competitive bid or services rendered at prices regulated by law) to which the corporation or its parent or subsidiary was a party and in which any director or officer of the corporation or of a subsidiary or (if known to the corporation or its parent or subsidiary) any holder of more than 10 percent of the outstanding voting shares of the corporation had a direct or indirect material interest, naming such person and stating such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated; and provided,

further that no such report need be made in the case of transactions approved by the shareholders (Section 153) under subdivision (a) of Section 310.

(2) The amount and circumstances of any indemnification or advances aggregating more than ten thousand dollars ($10,000) paid during the fiscal year to any officer or director of the corporation pursuant to Section 317; provided, that no such report need be made in the case of indemnification approved by the shareholders (Section 153) under paragraph (2) of subdivision (e) of Section 317.

(c) A shareholder or shareholders holding at least 5 percent of the outstanding shares of any class of a corporation may make a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than 30 days prior to the date of the request and a balance sheet of the corporation as of the end of such period and, in addition, if no annual report for the last fiscal year has been sent to shareholders, the statements required by subdivision (a) for the last fiscal year. The statement shall be delivered or mailed to the person making the request within 30 days thereafter. A copy of the statements shall be kept on file in the principal office of the corporation for 12 months and they shall be exhibited at all reasonable times to any shareholder demanding an examination of them or a copy shall be mailed to such shareholder.

(d) A corporation shall, upon the written request of any shareholder, mail to the shareholder a copy of the last annual, semiannual or quarterly income statement which it has prepared and a balance sheet as of the end of the period.

(e) The quarterly income statements and balance sheets referred to in this section shall be accompanied by the report thereon, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that such financial statements were prepared without audit from the books and records of the corporation.

(f) In addition to the penalties provided for in Section 2200, the superior court of the proper county shall enforce the duty of making and mailing or delivering the information and financial statements required by this section and, for good cause shown, may extend the time therefor.

(g) In any action or proceeding under this section, if the court finds the failure of the corporation to comply with the requirements of this section to have been without justification, the court may award an amount sufficient to reimburse the shareholder for the reasonable expenses incurred by the shareholder, including attorneys' fees, in connection with such action or proceeding.

(h) This section applies to any domestic corporation and also to a foreign corporation having its principal executive office in this state or customarily holding meetings of its board in this state.

SEC. 23.2. Section 1502 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1502. (a) Every corporation shall, within 90 days after the filing of its original articles and annually thereafter during the applicable filing period in each year, file, on a form prescribed by the Secretary of State, a statement containing: (1) the presently authorized number of its directors; (2) the names and complete business or residence addresses of its incumbent directors; (3) the names and complete business or residence addresses of its chief executive officer, secretary and chief financial officer; (4) the street address of its principal executive office; (5) if the address of its principal executive office is not in this state, the street address of its principal business office in this state, if any; and (6) a statement of the general type of business which constitutes the principal business activity of the corporation (for example, manufacturer of aircraft; wholesale liquor distributor; retail department store).

(b) The statement required by subdivision (a) shall also designate, as the agent of such corporation for the purpose of service of process, a natural person residing in this state or a corporation which has complied with Section 1505 and whose capacity to act as such agent has not terminated. If a natural person is designated, the statement shall set forth such person's complete business or residence address. If a corporate agent is designated, no address for it shall be set forth.

(c) For the purposes of this section, the applicable filing period for a corporation shall be the calendar month during which its original articles were filed and the immediately preceding five calendar months. The Secretary of State shall mail a form for compliance with this section to each corporation approximately three months prior to the close of the applicable filing period. The form shall state the due date thereof and shall be mailed to the last address of the corporation according to the records of the Secretary of State. Neither the failure of the Secretary of State to mail the form nor the failure of the corporation to receive it is an excuse for failure to comply with this section.

(d) Whenever any of the information required by subdivision (a) is changed, the corporation may file a current statement containing all the information required by subdivisions (a) and (b). In order to change its agent for service of process or the address of the agent, the corporation must file a current statement containing all the information required by subdivisions (a) and (b). Whenever any statement is filed pursuant to this section, it supersedes any previously filed statement and the statement in the articles as to the agent for service of process and the address of the agent.

(e) The Secretary of State may destroy or otherwise dispose of any statement filed pursuant to this section after it has been superseded by the filing of a new statement.

(f) This section shall not be construed to place any person dealing with the corporation on notice of, or under any duty to inquire about, the existence or content of a statement filed pursuant to this section.

SEC. 23.4. Section 1508 of the Corporations Code, as added by

Chapter 682 of the Statutes of 1975, is amended to read:

1508. The Attorney General, upon complaint that a foreign or domestic corporation is failing to comply with the provisions of this chapter or Chapter 6 (commencing with Section 600), 7 (commencing with Section 700) or 16 (commencing with Section 1600), may in the name of the people of the State of California send to the principal executive office of such corporation notice of the complaint. If the answer is not satisfactory, the Attorney General may institute, maintain or intervene in such suits, actions or proceedings of any type in any court or tribunal of competent jurisdiction or before any administrative agency for such relief by way of injunction, the dissolution of entities, the appointment of receivers or any other temporary, preliminary, provisional or final remedies as may be appropriate to protect the rights of shareholders or to undo the consequences of failure to comply with such requirements. In any such action, suit or proceeding there may be joined as parties all persons and entities responsible for or affected by such activity.

SEC. 23.5. Section 1600 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1600. (a) A shareholder or shareholders holding at least 5 percent in the aggregate of the outstanding voting shares of a corporation or who hold at least 1 percent of such voting shares and have filed a Schedule 14B with the United States Securities and Exchange Commission relating to the election of directors of the corporation shall have an absolute right to do either or both of the following: (1) inspect and copy the record of shareholders' names and addresses and shareholdings during usual business hours upon five business days' prior written demand upon the corporation, or (2) obtain from the transfer agent for the corporation, upon written demand and upon the tender of its usual charges for such a list (the amount of which charges shall be stated to the shareholder by the transfer agent upon request), a list of the shareholders' names and addresses, who are entitled to vote for the election of directors, and their shareholdings, as of the most recent record date for which it has been compiled or as of a date specified by the shareholder subsequent to the date of demand. The list shall be made available on or before the later of five business days after the demand is received or the date specified therein as the date as of which the list is to be compiled. A corporation shall have the responsibility to cause its transfer agent to comply with this subdivision.

(b) Any delay by the corporation or the transfer agent in complying with a demand under subdivision (a) beyond the time limits specified therein shall give the shareholder or shareholders properly making the demand a right to obtain from the superior court, upon the filing of a verified complaint in the proper county and after a hearing, notice of which shall be given to such persons and in such manner as the court may direct, an order postponing any shareholders' meeting previously noticed for a period equal to the

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period of such delay. Such right shall be in addition to any other legal or equitable remedies to which the shareholder may be entitled.

(c) The record of shareholders shall also be open to inspection and copying by any shareholder or holder of a voting trust certificate at any time during usual business hours upon written demand on the corporation, for a purpose reasonably related to such holder's interests as a shareholder or holder of a voting trust certificate.

(d) Any inspection and copying under this section may be made in person or by agent or attorney. The rights provided in this section may not be limited by the articles or bylaws. This section applies to any domestic corporation and to any foreign corporation having its principal executive office in this state or customarily holding meetings of its board in this state.

SEC. 23.7. Section 1602 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1602. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation of which such person is a director and also of its subsidiary corporations, domestic or foreign. Such inspection by a director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts. This section applies to a director of any foreign corporation having its principal executive office in this state or customarily holding meetings of its board in this state.

SEC. 23.8. Section 1603 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1603. (a) Upon refusal of a lawful demand for inspection, the superior court of the proper county, may enforce the right of inspection with just and proper conditions or may, for good cause shown, appoint one or more competent inspectors or accountants to audit the books and records kept in this state and investigate the property, funds and affairs of any domestic corporation or any foreign corporation keeping records in this state and of any subsidiary corporation thereof, domestic or foreign, keeping records in this state and to report thereon in such manner as the court may direct.

(b) All officers and agents of the corporation shall produce to the inspectors or accountants so appointed all books and documents in their custody or power, under penalty of punishment for contempt of court.

(c) All expenses of the investigation or audit shall be defrayed by the applicant unless the court orders them to be paid or shared by the corporation.

SEC. 24. Section 1702 of the Corporations Code as added by Chapter 682 of the Statutes of 1975, is amended to read:

1702. (a) If an agent for the purpose of service of process has resigned and has not been replaced or if the agent designated cannot with reasonable diligence be found at the address designated for

personally delivering the process, and it is shown by affidavit to the satisfaction of the court that process against a domestic corporation cannot be served with reasonable diligence upon the designated agent by hand in the manner provided in Section 415.10, subdivision (a) of Section 415.20 or subdivision (a) of Section 415.30 of the Code of Civil Procedure or upon the corporation in the manner provided in subdivision (a), (b) or (c) of Section 416.10 or subdivision (a) of Section 416.20 of the Code of Civil Procedure, the court may make an order that the service be made upon the corporation by delivering by hand to the Secretary of State, or to any person employed in the Secretary of State's office in the capacity of assistant or deputy, one copy of the process for each defendant to be served, together with a copy of the order authorizing such service. Service in this manner is deemed complete on the 10th day after delivery of the process to the Secretary of State.

(b) Upon the receipt of any such copy of process and the fee therefor, the Secretary of State shall give notice of the service of the process to the corporation at its principal executive office, by forwarding to such office, by registered mail with request for return receipt, the copy of the process or, if the records of the Secretary of State do not disclose an address for its principal executive office, by forwarding such copy in the same manner to the last designated agent for service of process who has not resigned. If the agent for service of process has resigned and has not been replaced and the records of the Secretary of State do not disclose an address for its principal executive office, no action need be taken by the Secretary of State.

(c) The Secretary of State shall keep a record of all process served upon the Secretary of State under this chapter and shall record therein the time of service and the Secretary of State's action with reference thereto. The certificate of the Secretary of State, under the Secretary of State's official seal, certifying to the receipt of process, the giving of notice thereof to the corporation and the forwarding of such process pursuant to this section, shall be competent and prima facie evidence of the matters stated therein.

SEC. 24.5. Section 1800 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1800. (a) A verified complaint for involuntary dissolution of a corporation on any one or more of the grounds specified in subdivision (b) may be filed in the superior court of the proper county by any of the following persons:

(1) One-half or more of the directors in office.

(2) A shareholder or shareholders who hold shares representing not less than 33⅓ percent of (i) the total number of outstanding shares (assuming conversion of any preferred shares convertible into common shares) or (ii) the outstanding common shares or (iii) the equity of the corporation, exclusive in each case of shares owned by persons who have personally participated in any of the transactions enumerated in paragraph (4) of subdivision (b), or any shareholder

or shareholders of a close corporation.

(3) Any shareholder if the ground for dissolution is that the period for which the corporation was formed has terminated without extension thereof.

(4) Any other person expressly authorized to do so in the articles.

(b) The grounds for involuntary dissolution are that:

(1) The corporation has abandoned its business for more than one year.

(2) The corporation has an even number of directors who are equally divided and cannot agree as to the management of its affairs, so that its business can no longer be conducted to advantage or so that there is danger that its property and business will be impaired or lost, and the holders of the voting shares of the corporation are so divided into factions that they cannot elect a board consisting of an uneven number.

(3) There is internal dissension and two or more factions of shareholders in the corporation are so deadlocked that its business can no longer be conducted with advantage to its shareholders or the shareholders have failed at two consecutive annual meetings at which all voting power was exercised, to elect successors to directors whose terms have expired or would have expired upon election of their successors.

(4) Those in control of the corporation have been guilty of or have knowingly countenanced persistent and pervasive fraud, mismanagement or abuse of authority or persistent unfairness toward any shareholders or its property is being misapplied or wasted by its directors or officers.

(5) In the case of any corporation with 35 or fewer shareholders (determined as provided in Section 605), liquidation is reasonably necessary for the protection of the rights or interests of the complaining shareholder or shareholders.

(6) The period for which the corporation was formed has terminated without extension of such period.

(c) At any time prior to the trial of the action any shareholder or creditor may intervene therein.

(d) This section does not apply to any corporation subject to the Banking Law (Division 1 (commencing with Section 99) of the Financial Code), the Public Utilities Act (Part 1 (commencing with 201) of Division 1 of the Public Utilities Code), the Savings and Loan Association Law (Division 2 (commencing with Section 5000) of the Financial Code) or Article 14 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

(e) For the purposes of this section, "shareholder" includes a beneficial owner of shares who has entered into an agreement under Section 300 or 706.

SEC. 25. Section 1900 of the Corporations Code as added by Chapter 682 of the Statutes of 1975, is amended to read:

1900. (a) Any corporation may elect voluntarily to wind up and dissolve by the vote of shareholders holding shares representing 50

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percent or more of the voting power.

(b) Any corporation which comes within one of the following descriptions may elect by approval by the board to wind up and dissolve:

(1) A corporation which has been adjudicated a bankrupt.

(2) A corporation which has disposed of all of its assets and has not conducted any business for a period of five years immediately preceding the adoption of the resolution electing to dissolve the corporation.

(3) A corporation which has issued no shares.

SEC. 25.7. Section 1901 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1901. (a) Whenever a corporation has elected to wind up and dissolve a certificate evidencing such election shall forthwith be filed.

(b) The certificate shall be an officers' certificate or shall be signed and verified by at least a majority of the directors then in office or by one or more shareholders authorized to do so by shareholders holding shares representing 50 percent or more of the voting power and shall set forth:

(1) That the corporation has elected to wind up and dissolve.

(2) If the election was made by the vote of shareholders, the number of shares voting for the election and that the election was made by shareholders representing at least 50 percent of the voting power.

(3) If the certificate is executed by a shareholder or shareholders, that the subscribing shareholder or shareholders were authorized to execute the certificate by shareholders holding shares representing at least 50 percent of the voting power.

(4) If the election was made by the board pursuant to subdivision (b) of Section 1900, the certificate shall also set forth the circumstances showing the corporation to be within one of the categories described in said subdivision.

SEC. 25.8. Section 1902 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1902. (a) A voluntary election to wind up and dissolve may be revoked prior to distribution of any assets by the vote of shareholders holding shares representing a majority of the voting power, or by approval by the board if the election was by the board pursuant to subdivision (b) of Section 1900. Thereupon a certificate evidencing the revocation shall be signed, verified and filed in the manner prescribed by Section 1901.

(b) The certificate shall set forth:

(1) That the corporation has revoked its election to wind up and dissolve.

(2) That no assets have been distributed pursuant to the election.

(3) If the revocation was made by the vote of shareholders, the number of shares voting for the revocation and the total number of outstanding shares the holders of which were entitled to vote on the revocation.

(4) If the election and revocation was by the board, that shall be stated.

SEC. 27. Section 1904 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1904. If a corporation is in the process of voluntary winding up, the superior court of the proper county, upon the petition of (a) the corporation, or (b) a shareholder or shareholders who hold shares representing 5 percent or more of the total number of any class of outstanding shares, or (c) any shareholder or shareholders of a close corporation, or (d) three or more creditors, and upon such notice to the corporation and to other persons interested in the corporation as shareholders and creditors as the court may order, may take jurisdiction over such voluntary winding up proceeding if that appears necessary for the protection of any parties in interest. The court, if it assumes jurisdiction, may make such orders as to any and all matters concerning the winding up of the affairs of the corporation and for the protection of its shareholders and creditors as justice and equity may require. The provisions of Chapter 18 (commencing with Section 1800) (except Sections 1800 and 1801) shall apply to such court proceedings.

SEC. 28. Section 1905 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

1905. (a) When a corporation has been completely wound up without court proceedings therefor, a majority of the directors then in office shall sign and verify a certificate of dissolution stating:

(1) That the corporation has been completely wound up.

(2) That its known debts and liabilities have been actually paid, or adequately provided for, or paid or adequately provided for as far as its assets permitted, or that it has incurred no known debts or liabilities, as the case may be. If there are known debts or liabilities for payment of which adequate provision has been made, the certificate shall state what provision has been made, setting forth the name and address of the corporation, person or governmental agency that has assumed or guaranteed the payment, or the name and address of the depositary with which deposit has been made or such other information as may be necessary to enable the creditor or other person to whom payment is to be made to appear and claim payment of the debt or liability.

(3) That its known assets have been distributed to shareholders, or, if there are no shareholders, to the persons entitled thereto, or wholly applied or deposited on account of its debts and liabilities or that it acquired no known assets, as the case may be.

(4) That the corporation is dissolved.

(b) The certificate of dissolution shall be filed and thereupon the corporate existence shall cease, except for the purpose of further winding up if needed. However, before any corporation taxed under the Bank and Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code) may

file a certificate of dissolution it shall file or cause to be filed the certificate of satisfaction of the Franchise Tax Board that all taxes imposed under the Bank and Corporation Tax Law have been paid or secured.

SEC. 28.6. Section 2000 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2000. (a) Subject to any contrary provision in the articles, in any suit for involuntary dissolution, or in any proceeding for voluntary dissolution initiated by the vote of shareholders representing only 50 percent of the voting power, the corporation or, if it does not elect to purchase, the holders of 50 percent or more of the voting power of the corporation (the "purchasing parties") may avoid the dissolution of the corporation and the appointment of any receiver by purchasing for cash the shares owned by the plaintiffs or by the shareholders so initiating the proceeding (the "moving parties") at their fair value. The fair value shall be determined on the basis of the liquidation value but taking into account the possibility, if any, of sale of the entire business as a going concern in a liquidation. In fixing the value, the amount of any damages resulting if the initiation of the dissolution is a breach by any moving party or parties of an agreement with the purchasing party or parties may be deducted from the amount payable to such moving party or parties, unless the ground for dissolution is that specified in paragraph (4) of subdivision (b) of Section 1800. The election of the corporation to purchase may be made by the approval of the outstanding shares (Section 152) excluding shares held by the moving parties.

(b) If the purchasing parties (1) elect to purchase the shares owned by the moving parties, and (2) are unable to agree with the moving parties upon the fair value of such shares, and (3) give bond with sufficient security to pay the expenses (including attorneys' fees) of the moving parties if such expenses are recoverable under subdivision (c), the court upon application of the purchasing parties, either in the pending action or in a proceeding initiated in the superior court of the proper county by the purchasing parties in the case of a voluntary election to wind up and dissolve, shall stay the winding up and dissolution proceeding and shall proceed to ascertain and fix the fair value of the shares owned by the moving parties.

(c) The court shall appoint three disinterested appraisers to appraise the fair value of the shares owned by the moving parties, and shall make an order referring the matter to the appraisers so appointed for the purpose of ascertaining such value. The order shall prescribe the time and manner of producing evidence, if evidence is required. The award of the appraisers or of a majority of them, when confirmed by the court, shall be final and conclusive upon all parties. The court shall enter a decree which shall provide in the alternative for winding up and dissolution of the corporation unless payment is made for the shares within the time specified by the decree. If the purchasing parties do not make payment for the shares within the time specified, judgment shall be entered against them

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and the surety or sureties on the bond for the amount of the expenses (including attorneys' fees) of the moving parties. Any shareholder aggrieved by the action of the court may appeal therefrom.

(d) If the purchasing parties desire to prevent the winding up and dissolution, they shall pay to the moving parties the value of their shares ascertained and decreed within the time specified pursuant to this section, or, in case of an appeal, as fixed on appeal. On receiving such payment or the tender thereof, the moving parties shall transfer their shares to the purchasing parties.

(e) For the purposes of this section, "shareholder" includes a beneficial owner of shares who has entered into an agreement under Section 300 or 706.

SEC. 28.8. Section 2001 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2001. The powers and duties of the directors (or other persons appointed by the court pursuant to Section 1805) and officers after commencement of a dissolution proceeding include, but are not limited to, the following acts in the name and on behalf of the corporation:

(a) To elect officers and to employ agents and attorneys to liquidate or wind up its affairs.

(b) To continue the conduct of the business insofar as necessary for the disposal or winding up thereof.

(c) To carry out contracts and collect, pay, compromise and settle debts and claims for or against the corporation.

(d) To defend suits brought against the corporation.

(e) To sue, in the name of the corporation, for all sums due or owing to the corporation or to recover any of its property.

(f) To collect any amounts remaining unpaid on subscriptions to shares or to recover unlawful distributions.

(g) To sell at public or private sale, exchange, convey or otherwise dispose of all or any part of the assets of the corporation for cash in an amount deemed reasonable by the board without compliance with the provisions of Section 1001 (except subdivision (d) thereof), or (subject to compliance with the provisions of Sections 1001, 1200 and 1201, but Chapter 13 (commencing with Section 1300) shall not be applicable thereto) upon such other terms and conditions and for such other considerations as the board deems reasonable or expedient; and to execute bills of sale and deeds of conveyance in the name of the corporation.

(h) In general, to make contracts and to do any and all things in the name of the corporation which may be proper or convenient for the purposes of winding up, settling and liquidating the affairs of the corporation.

SEC. 29. Section 2004 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2004. After determining that all the known debts and liabilities of a corporation in the process of winding up have been paid or adequately provided for, the board shall distribute all the remaining

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corporate assets among the shareholders according to their respective rights and preferences or, if there are no shareholders, to the persons entitled thereto. If the winding up is by court proceeding or subject to court supervision, the distribution shall not be made until after the expiration of any period for the presentation of claims which has been prescribed by order of the court.

SEC. 29.5. Section 2007 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2007. (a) If the corporation in process of winding up has both preferred and common shares outstanding, a plan of distribution of the shares, obligations or securities of any other corporation, domestic or foreign, or assets other than money which is not in accordance with the liquidation rights of the preferred shares as specified in the articles may nevertheless be adopted if approved by (a) the board and (b) by approval of the outstanding shares (Section 152) of each class. The plan may provide that such distribution is in complete or partial satisfaction of the rights of any of such shareholders upon distribution and liquidation of the assets.

(b) A plan of distribution so approved shall be binding upon all the shareholders except as provided in subdivision (c). The board shall cause notice of the adoption of the plan to be given by mail within 20 days after its adoption to all holders of shares having a liquidation preference.

(c) Shareholders having a liquidation preference who dissent from the plan of distribution are entitled to be paid the amount of their liquidation preference in cash if they file written demand for payment with the corporation within 30 days after the date of mailing of the notice of the adoption of the plan of distribution, unless the plan of distribution is abandoned. The demand shall state the number and class of the shares held of record by the shareholder in respect of which the shareholder claims payment.

(d) If any such demand for cash payment is filed, the board in its discretion may abandon the plan without further approval by the outstanding shares (Section 152), and all shareholders shall then be entitled to distribution according to their rights and liquidation preferences in the process of winding up.

SEC. 30. Section 2011 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2011. (a) In all cases where a corporation has been dissolved, the shareholders may be sued in the corporate name of such corporation upon any cause of action against the corporation arising prior to its dissolution. This section is procedural in nature and is not intended to determine liability.

(b) Summons or other process against such a corporation may be served by delivering a copy thereof to an officer, director or person having charge of its assets or, if no such person can be found, to any agent upon whom process might be served at the time of dissolution. If none of such persons can be found with due diligence and it is so shown by affidavit to the satisfaction of the court, then the court may

make an order that summons or other process be served upon the dissolved corporation by personally delivering a copy thereof, together with a copy of the order, to the Secretary of State or an assistant or deputy secretary of state. Service in this manner is deemed complete on the 10th day after delivery of the process to the Secretary of State.

(c) Every such corporation shall survive and continue to exist indefinitely for the purpose of being sued in any quiet title action. Any judgment rendered in any such action shall bind each and all of its shareholders or other persons having any equity or other interest in such corporation, to the extent of their interest therein, and such action shall have the same force and effect as an action brought under the provisions of Sections 410.50 and 410.60 of the Code of Civil Procedure. Service of summons or other process in any such action may be made as provided in Chapter 4 (commencing with Section 413.10) of Title 5 of Part 2 of the Code of Civil Procedure or as provided in subdivision (b).

(d) Upon receipt of such process and the fee therefor, the Secretary of State forthwith shall give notice to the corporation as provided in Section 1702.

SEC. 30.2. Section 2104 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2104. Any foreign lending institution which has not qualified to do business in this state and which engages in any of the activities set forth in subdivision (d) of Section 191 shall be considered by such activities to have appointed the Secretary of State as its agent for service of process for any action arising out of any such activities, and, on or before June 30th of each year, shall file a statement showing the address to which any notice or process may be sent in the manner and with the effect provided in Section 2111.

No foreign lending institution solely by reason of engaging in any one or more of the activities set forth in subdivision (d) of Section 191 shall be required to qualify to do business in this state nor be subject to (a) any of the provisions of the Bank and Corporation Tax Law (commencing with Section 23001) of the Revenue and Taxation Code or (b) any of the provisions of this code or the Financial Code or Insurance Code relating to qualifications for doing or transacting business in this state or to requirements pertaining thereto or to the effects or results of failure to qualify to do business in this state.

SEC. 30.3. Section 2106 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2106. (a) Subject to the provisions of subdivision (b), upon payment of the fees required by law the Secretary of State shall file the statement and designation prescribed in Section 2105 and shall issue to the corporation a certificate of qualification stating the date of filing of said statement and designation and that the corporation is qualified to transact intrastate business, subject, however, to any licensing requirements otherwise imposed by the laws of this state.

(b) No foreign corporation having a name which would not be

available pursuant to subdivision (b) of Section 201 to a new corporation organized under this division shall transact intrastate business in this state or qualify to do so under this chapter or file an amended statement and designation containing such name unless either: (1) it obtains and files an order from a court of competent jurisdiction permanently enjoining the other corporation having a conflicting name from doing business in this state under that name; or (2) the Secretary of State finds, upon proof by affidavit or otherwise as the Secretary of State may determine, that the business to be conducted in this state by the foreign corporation is not the same as or similar to the business being conducted by the corporation (or to be conducted by the proposed corporation) with whose name it may conflict and that the public is not likely to be deceived, and the foreign corporation agrees that it will transact business in this state under an assumed name disclosed to the Secretary of State and that it will use such assumed name in all of its dealings with the Secretary of State and in the conduct of its affairs in this state. Such assumed name may be its name with the addition of some distinguishing word or words acceptable to the Secretary of State or a name available for the name of a domestic corporation pursuant to subdivision (b) of Section 201. A corporation which has made such an agreement with the Secretary of State shall not do business in this state except under the name agreed upon, so long as the agreement remains in effect.

SEC. 30.4. Section 2108 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2108. (a) Each foreign corporation (other than a foreign association) qualified to transact intrastate business and each foreign parent corporation subject to Section 2115 shall file annually within three months and 15 days after the close of its income year ending on or after December 31, 1976 or within 30 days after the filing of its franchise tax return with the Franchise Tax Board if an extension of time for filing the return was granted, an officers' certificate setting forth:

(1) The percentage of its outstanding voting securities held of record, as of the last record date for a shareholder's meeting, by persons having addresses in this state, calculated as provided in Section 2115 and either

(2) That all the income of the corporation was taxable for California franchise tax purposes or that such income would have been so taxable if the corporation had had sufficient income to be subject to more than the minimum franchise tax; or

(3) Its property factor, payroll factor and sales factor computed as provided in Section 2115.

This subdivision does not apply to a foreign corporation described in subdivision (e) of Section 2115. If the percentage in response to paragraph (1) is 40 percent or less, the officers' certificate need not include the information required by paragraph (2) or (3).

(b) The Secretary of State shall mail a form for compliance with

this section to each foreign corporation qualified to transact intrastate business in reasonably sufficient time for such compliance. The form shall state the due date thereof and shall be mailed to the last address of the corporation according to the records of the Secretary of State. Neither the failure of the Secretary of State to mail the form nor the failure of the corporation to receive it is an excuse for failure to comply with this section.

(c) The Secretary of State need not mail a form to a foreign corporation exempted from subdivision (a) or a foreign corporation whose right to exercise its corporate powers, rights and privileges in this state were forfeited by the Franchise Tax Board pursuant to Section 23301 or 23301.5 of the Revenue and Taxation Code more than six months prior to the date the Secretary of State would otherwise have mailed the form pursuant to subdivision (b) and which right has not been revived on or prior to such date of mailing.

(d) The Secretary of State shall forfeit the right of any foreign corporation to transact intrastate business if it fails to file the statement required by this section for a period of six months after notice given to it by the Secretary of State that such filing is delinquent and that it will have its right to transact intrastate business forfeited unless it complies with this section.

(e) Neither the report required by this section nor the computation provided by Section 2115 shall have any effect with respect to the basis upon which the corporation reports its income for franchise tax purposes.

SEC. 30.6. Section 2109 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2109. (a) Any foreign corporation which has suffered the forfeiture provided for in subdivision (d) of Section 2108 may be relieved therefrom upon making application therefor in writing to the Secretary of State and upon filing the officers' certificate prescribed in Section 2108 for each taxable year for which such certificate was required to be filed and has not been filed.

(b) The Secretary of State shall not grant the relief if the name of the foreign corporation would not meet the requirements of subdivision (b) of Section 2106. Notwithstanding subdivision (d) of Section 2108, a foreign corporation which has forfeited its right to transact intrastate business may file an amended statement and designation to change its name or to establish an assumed name pursuant to subdivision (b) of Section 2106.

(c) The Secretary of State shall promptly notify the foreign corporation of the relief from forfeiture of the right to transact intrastate business but such relief shall not affect any forfeiture under other provisions of law.

SEC. 31. Section 2111 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2111. (a) If the agent designated for the service of process is a natural person and cannot be found with due diligence at the address stated in the designation or if such agent is a corporation and no

person can be found with due diligence to whom the delivery authorized by Section 2110 may be made for the purpose of delivery to such corporate agent, or if the agent designated is no longer authorized to act, or if no agent has been designated and if no one of the officers or agents of the corporation specified in Section 2110 can be found after diligent search and it is so shown by affidavit to the satisfaction of the court, then the court may make an order that service be made by personal delivery to the Secretary of State or to an assistant or deputy secretary of state of two copies of the process together with two copies of the order, except that if the corporation to be served has not filed the statement required to be filed by Section 2105 then only one copy of the process and order need be delivered but the order shall include and set forth an address to which such process shall be sent by the Secretary of State. Service in this manner is deemed complete on the 10th day after delivery of the process to the Secretary of State.

(b) Upon receipt of the process and order and the fee therefor the Secretary of State forthwith shall give notice to the corporation of the service of the process by forwarding by registered mail, with request for return receipt, a copy of the process and order to the address specified in the order if the corporation has not filed the statement required by Section 2105 or to the two offices of the corporation the addresses of which are set forth in the latest such statement filed.

(c) The Secretary of State shall keep a record of all process served upon the Secretary of State and shall record therein the time of service and the Secretary of State's action with respect thereto. The certificate of the Secretary of State, under the Secretary of State's official seal, certifying to the receipt of process, the giving of notice thereof to the corporation and the forwarding of such process pursuant to this section, shall be competent and prima facie evidence of the matters stated therein.

SEC. 32. Section 2114 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2114. (a) A foreign corporation which has transacted intrastate business and has thereafter withdrawn from business in this state may be served with process in the manner provided in this chapter in any action brought in this state arising out of such business, whether or not it has ever complied with the requirements of this chapter.

(b) A foreign corporation which has surrendered its right to transact intrastate business pursuant to Section 2112 or 2113 may be served with process in any action upon a liability or obligation incurred within this state prior to such surrender by delivery of the process to the Secretary of State, or an assistant or a deputy to the Secretary of State pursuant to this chapter and no court order authorizing such service shall be required. The process shall be mailed in the manner prescribed in this chapter except that it shall be sent to the address to which process is authorized to be sent in the certificate of surrender or to the address of the surviving domestic

corporation in the case of a surrender under Section 2113.

(c) If a foreign corporation which is qualified to transact intrastate business has its right to transact such business forfeited by the Franchise Tax Board pursuant to the Bank and Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code), or by the Secretary of State pursuant to Section 2108, service of process on such corporation may be effected in the manner set forth in Sections 2110 and 2111, as if the right to transact intrastate business had not been forfeited.

(d) The fact that a corporation ceases to transact intrastate business without filing a certificate of surrender does not revoke the appointment of any agent for the service of process.

SEC. 32.5. Section 2115 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2115. (a) A foreign corporation (other than a foreign association but including a foreign parent corporation even though it does not itself transact intrastate business) is subject to this section if the average of the property factor, the payroll factor and the sales factor (as defined in Sections 25129, 25132 and 25134 of the Revenue and Taxation Code) with respect to it is more than 50 percent during its latest full income year and if more than one-half of its outstanding voting securities are held of record by persons having addresses in this state. The property factor, payroll factor and sales factor shall be those used in computing the portion of its income allocable to this state in its franchise tax return or, with respect to corporations the allocation of whose income is governed by special formulas or which are not required to file separate tax returns, which would have been so used if they were governed by such three-factor formula. The determination of these factors with respect to any parent corporation shall be made on a consolidated basis, including in a unitary computation (after elimination of intercompany transactions) the property, payroll and sales of the parent and all of its subsidiaries in which it owns directly or indirectly more than 50 percent of the outstanding shares entitled to vote for the election of directors, but deducting a percentage of such property, payroll and sales of any subsidiary equal to the percentage minority ownership, if any, in such subsidiary. For the purpose of this subdivision, any securities held to the knowledge of the issuer in the names of broker-dealers or nominees for broker-dealers shall not be considered outstanding.

(b) The following chapters and sections of this division shall apply to a foreign corporation subject to this section (to the exclusion of the law of the jurisdiction in which it is incorporated):

Chapter 1 (general provisions and definitions), to the extent applicable to the following provisions;

Section 301 (annual election of directors);

Section 303 (removal of directors without cause);

Section 304 (removal of directors by court proceedings);

Section 305, subdivision (c) (filling of director vacancies where less than a majority in office elected by shareholders);

Section 309 (directors' standard of care);

Section 316 (excluding paragraph (3) of subdivision (a) and paragraph (3) of subdivision (f)) (liability of directors for unlawful distributions);

Section 317 (indemnification of directors, officers and others);

Sections 500 to 505, inclusive (limitations on corporate distributions in cash or property);

Section 506 (liability of shareholder who receives unlawful distribution);

Section 600, subdivisions (b) and (c) (requirement for annual shareholders' meeting and remedy if same not timely held);

Section 708, subdivisions (a), (b) and (c) (shareholder's right to cumulate votes at any election of directors);

Section 1001, subdivision (d) (limitations on sale of assets);

Section 1101 (provisions following subdivision (e)) (limitations on mergers);

Chapter 12 (commencing with Section 1200) (reorganizations);

Chapter 13 (commencing with Section 1300) (dissenters' rights);

Sections 1500 and 1501 (records and reports);

Section 1508 (action by Attorney General);

Chapter 16 (commencing with Section 1600) (rights of inspection).

(c) Subdivision (a) shall become applicable to any foreign corporation only upon the first day of the first income year of the corporation commencing on or after the 30th day after the filing by it of the report pursuant to Section 2108 showing that the tests referred to in subdivision (a) have been met or upon the entry of an order by a court of competent jurisdiction declaring that such tests have been met.

(d) Subdivision (a) shall cease to be applicable at the end of any income year during which a report pursuant to Section 2108 shall have been filed showing that at least one of the tests referred to in subdivision (a) is not met or an order shall have been entered by a court of competent jurisdiction declaring that one of such tests is not met, provided that such filing or order shall be ineffective if a contrary report or order shall be made or entered before the end of such income year.

(e) This section does not apply to any corporation with outstanding securities listed on any national securities exchange certified by the Commissioner of Corporations under subdivision (o) of Section 25100, or to any corporation if all of its voting shares (other than directors' qualifying shares) are owned directly or indirectly by a corporation not subject to this section.

SEC. 33. Section 2203 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2203. (a) Any foreign corporation which transacts intrastate business and which does not hold a valid certificate from the Secretary of State may be subject to a penalty of twenty dollars ($20) for each day that such unauthorized intrastate business is transacted;

and such foreign corporation, by transacting unauthorized intrastate business, shall be deemed to consent to the jurisdiction of the courts of California in any civil action arising in this state wherein such corporation is named a party defendant and shall be deemed to have designated the Secretary of State as the agent upon whom process directed to the corporation may be served within this state.

(b) The penalty established by subdivision (a) of this section shall be assessed according to the number of days it is found that the corporation has been willfully doing unauthorized intrastate business. Prosecution under this section may be brought, and the money penalty recovered thereby shall be paid, in the manner provided by Section 2258 for a prosecution brought under that section.

(c) A foreign corporation subject to the provisions of Chapter 21 (commencing with Section 2100) which transacts intrastate business without complying with Section 2105 shall not maintain any action or proceeding upon any intrastate business so transacted in any court of this state, commenced prior to compliance with Section 2105, until it has complied with the provisions thereof and has paid to the Secretary of State a penalty of two hundred fifty dollars ($250) in addition to the fees due for filing the statement and designation required by Section 2105 and has filed with the clerk of the court in which the action is pending receipts showing the payment of said fees and penalty and all franchise taxes and any other taxes on business or property in this state that should have been paid for the period during which it transacted intrastate business.

SEC. 33.5. Section 2204 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2204. (a) Upon the failure of a corporation to file the statement required by Section 1502, the Secretary of State shall mail a notice of such delinquency to the corporation. The notice shall also contain information concerning the application of this section, and advise the corporation of the penalty imposed by Section 25936 of the Revenue and Taxation Code for failure to timely file the required statement after notice of delinquency has been mailed by the Secretary of State. If, within 60 days after the mailing of the notice of delinquency, a statement pursuant to Section 1502 has not been filed by the corporation, the Secretary of State shall certify the name of such corporation to the Franchise Tax Board.

(b) Upon certification pursuant to subdivision (a), the Franchise Tax Board shall assess against the corporation a penalty of two hundred fifty dollars ($250) pursuant to Section 25936 of the Revenue and Taxation Code.

(c) The penalty herein provided shall not apply to a corporation which on or prior to the date of certification pursuant to subdivision (a) has dissolved or has been merged into another corporation.

(d) The penalty herein provided shall not apply and the Secretary of State need not mail a notice of delinquency to a corporation the corporate powers, rights and privileges of which have been

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suspended by the Franchise Tax Board pursuant to Section 23301, 23301.5 or 23775 of the Revenue and Taxation Code on or prior to, and remain suspended on, the last day of the filing period pursuant to Section 1502. The Secretary of State need not mail a form pursuant to Section 1502 to a corporation the corporate powers, rights and privileges of which have been so suspended by the Franchise Tax Board on or prior to, and remain suspended on, the day the Secretary of State prepares the forms for mailing.

(e) If, after certification pursuant to subdivision (a) the Secretary of State finds the required statement was filed before the expiration of the 60-day period after mailing of the notice of delinquency, the Secretary of State shall promptly decertify the name of the corporation to the Franchise Tax Board. The Franchise Tax Board shall then promptly abate any penalty assessed against the corporation pursuant to Section 25936 of the Revenue and Taxation Code.

SEC. 34. Section 2260 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2260. In a prosecution for a violation of Section 2252, 2253, 2254, 2255, 2256 or 2257, the fact that the corporation was a foreign corporation is not a defense, if it was carrying on business or keeping an office therefor within this state.

SEC. 35. Section 2302 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2302. The provisions of Sections 202, 204 and 205 of the new law relating to the contents of articles do not apply to corporations existing on the effective date unless and until an amendment of the articles is filed stating that the corporation elects to be governed by all of the provisions of the new law not otherwise applicable to it under this chapter. Such amendment may be adopted by approval of the board alone, except that, if any such amendment makes any change in the articles other than conforming the statement of purposes and powers to subdivision (b) of Section 202 and the deletion of any references to par value and location of principal office and deleting any statement regarding the number of directors or conforming any such statement to Section 212 (subject to Section 2304), it shall also be approved by the outstanding shares (Section 152) if such approval is otherwise required for the changes made.

SEC. 36. Section 2305 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2305. Subdivision (a) of Section 312 of the new law applies to a corporation existing on the effective date, but the "treasurer" of such corporation shall be deemed to be the "chief financial officer."

SEC. 37. Section 2310 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2310. The provisions of Chapter 6 (commencing with Section 600) and Chapter 7 (commencing with Section 700) (other than Section 706) of the new law apply to any meeting of shareholders held after the effective date and to any action by shareholders

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pursuant to written consent which becomes effective after the effective date and to any vote cast at such a meeting or consent given for such action (whether or not a proxy or consent was executed by the shareholder prior to the effective date); provided, however, that the prior law shall apply to any such meeting of shareholders and to any vote cast at such a meeting if such meeting was initially called for a date prior to the effective date and notice thereof was given to shareholders entitled to vote thereat.

SEC. 38. Section 2313 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2313. Chapters 10 (commencing with Section 1000), 11 (commencing with Section 1100), 12 (commencing with Section 1200) and 13 (commencing with Section 1300) of the new law apply to transactions consummated after the effective date, unless a required approval of the outstanding shares (Section 152) has been given prior to the effective date or has been given after the effective date but at a meeting of shareholders initially called for a date prior to the effective date, in which case the transaction shall be governed by the prior law.

SEC. 39. Section 2314 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2314. Chapters 18 (commencing with Section 1800) and 20 (commencing with Section 2000) of the new law apply to actions for involuntary dissolution commenced after the effective date, but the prior law governs any such action pending on the effective date.

SEC. 40. Section 2315 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2315. Chapters 19 (commencing with Section 1900) and 20 (commencing with Section 2000) of the new law apply to any voluntary dissolution proceeding initiated by the filing of an election after the effective date, but the prior law governs any such proceeding so initiated prior to the effective date.

SEC. 41. Section 2317 of the Corporations Code, as added by Chapter 682 of the Statutes of 1975, is amended to read:

2317. When any corporate agent for service of process has been designated prior to the effective date and such designation of agent included a name of a city, town or village wherein the corporate agent maintained an office, service on such agent may be effected at any office of the agent set forth in the certificate of the corporate agent filed pursuant to Section 1505 of the new law or filed pursuant to Section 3301.5, 3301.6, 6403.5 or 6403.6 of the prior law, whether or not such office is in said city, town or village.

SEC. 42. Section 13409 of the Corporations Code is amended to read:

13409. A professional corporation may adopt any name permitted by a law expressly applicable to the profession in which such corporation is engaged or by a rule or regulation of the governmental agency regulating such profession. The provisions of subdivision (b) of Section 201 shall not apply to the name of a professional

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corporation if such name shall contain and be restricted to the name or the last name of one or more of the present, prospective, or former shareholders or of persons who were associated with a predecessor person, partnership or other organization or whose name or names appeared in the name of such predecessor organization, and the Secretary of State shall have no authority by reason of subdivision (b) of Section 201 to refuse to file articles of incorporation which set forth such a name; provided, however, that such name shall not be substantially the same as the name of a domestic corporation, the name of a foreign corporation which is authorized to transact business in this state, or a name which is under reservation for another corporation. The Secretary of State may require proof by affidavit or otherwise establishing that the name of the professional corporation complies with the requirements of this section and of the law governing the profession in which such professional corporation is engaged. The statements of fact in such affidavits may be accepted by the Secretary of State as sufficient proof of the facts.

SEC. 42.1. Section 661 of the Financial Code is amended to read:

661. Whenever it appears that the capital of a bank or trust company is impaired or reduced below the amount required by law, the superintendent shall order the bank to restore its capital within 60 days of the date of his order. The directors of the bank or trust company to which the order is issued, unless the capital is otherwise restored, shall levy and collect an assessment upon its common shares pursuant to Section 423 of the Corporations Code. The common shares of every corporation doing a banking business in this state are subject to such assessment, whether or not the fact that the shares are subject to such assessment is noted on the face of the certificates representing such shares, and if the shares are subject to assessment only upon order of the superintendent as provided in this section no statement of that fact need be noted on the certificates.

SEC. 42.2. Section 2070 of the Financial Code is amended to read:

2070. Any two or more banks and trust companies organized under the laws of this state may be merged into one of such constituent banks or trust companies upon compliance with the provisions of this article and upon compliance with the provisions of Chapters 11 (commencing with Section 1100), 12 (commencing with Section 1200) and 13 (commencing with Section 1300) of Division 1 of Title 1 of the Corporations Code, provided that in the case of a merger the provisions of Chapter 13 (commencing with Section 1300) of the Corporations Code shall apply only to shareholders and shares owned by them in the bank or trust company being merged into a surviving bank or trust company. The merger of such banks shall have the same force and effect as is provided in the Corporations Code for the merger of domestic corporations.

SEC. 42.3. Section 2071 of the Financial Code is amended to read:

2071. Any agreement for the merger of two or more banks or

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trust companies and any certificate of ownership executed pursuant to Section 1110 of the Corporations Code pertaining to such a merger shall have the approval of the superintendent endorsed thereon before the same is filed with the Secretary of State. An application for such approval shall be in such form and contain such information as the superintendent may require, and be accompanied by a fee of one thousand dollars ($1,000).

SEC. 42.4. Section 2072 of the Financial Code is amended to read:

2072. When any agreement for merger or any certificate of ownership has been filed with the Secretary of State with the approval of the superintendent endorsed thereon, a copy thereof, certified by the Secretary of State, shall immediately be filed with the superintendent and upon, but not until, such filing the merger shall be and become effective for all purposes. If the surviving corporation acquires additional powers by such merger, the superintendent shall issue to it his certificate authorizing it to engage in the commercial banking or trust business or both of such businesses, as the case may be.

SEC. 42.5. Section 2073 of the Financial Code is amended to read:

2073. Whenever any bank qualified to do a trust business or any trust company has been merged into a bank or trust company, the surviving bank or trust company ipso facto and by operation of law and without further transfer, substitution, act, or deed succeeds to the rights, properties, assets, investments, deposits, demands, agreements, and trusts of the constituent bank or trust company under all trusts, executorships, administrations, guardianships, agencies, and all other fiduciary or representative capacities to the same extent as though it had originally assumed the same and succeeds to and is entitled to take and execute the appointment to all executorships, trusteeships, guardianships, and other fiduciary and representative capacities to which the constituent corporation may be named or is thereafter named in wills, whenever probated, or to which it is or may be named or appointed by any other instrument.

SEC. 42.6. Section 2093 of the Financial Code is amended to read:

2093. Nothing in this division restricts one or more national banking associations from merging into one or more banks organized under the laws of this state. For the purpose of effecting any such merger a national banking association shall be deemed a "foreign corporation" as that term is used in Chapter 11 (commencing with Section 1100) of Division 1 of the Corporations Code and the laws of Congress shall be deemed the "laws of the state" in which a national banking association is formed. If the surviving bank or trust company is a bank or trust company organized under the laws of this state, the provisions of Chapters 11 (commencing with Section 1100), 12 (commencing with Section 1200) and 13 (commencing with Section

1300) of the Corporations Code shall apply; provided, that the provisions of Chapter 13 (commencing with Section 1300) shall apply only to shareholders and shares owned by them in the bank or trust company being merged into a surviving bank or trust company.

SEC. 42.7. Section 2094 of the Financial Code is amended to read:

2094. Whenever a state bank results from the merger of one or more national banking associations with one or more state banks and the agreement for merger has been filed with the Secretary of State with the approval of the superintendent endorsed thereon (An application for such approval of the superintendent shall be filed in such form and contain such information as the superintendent may require, and be accompanied by a fee of one thousand dollars ($1,000).), a copy thereof, certified by the Secretary of State, shall immediately be filed with the superintendent and upon, but not until, such filing the merger shall be and become effective for all purposes. If the surviving corporation acquires additional powers by such merger, the superintendent shall issue to it his certificate authorizing it to engage in the commercial banking or trust business or both of such businesses, as the case may be.

SEC. 43. Section 12210.5 is added to the Government Code, to read:

12210.5. The fee for furnishing a copy of a statement filed pursuant to Section 1502 of the Corporations Code or Section 3301 of the Corporations Code as in effect prior to January 1, 1977 is one dollar ($1).

SEC. 43.5. Section 16 of Chapter 682 of the Statutes of 1975, is amended to read:

Sec. 16. (a) Section 119 of the Corporations Code as in effect immediately prior to the effective date of this act, to the extent that it makes applicable the General Corporation Law to private corporations organized under other laws, shall continue in effect notwithstanding its repeal by the provisions hereof; but it shall refer to the provisions of Division 1 (commencing with Section 100) of Title 1 of the Corporations Code as in effect immediately prior to the effective date of this act, unless and until the provisions of any other statute permitting the incorporation of private corporations shall be amended to incorporate by reference in such other statute specific sections or portions of Division 1 (commencing with Section 100) of Title 1 of the Corporations Code as amended hereby. All references in any such other statute to any sections or portions of the General Corporation Law shall, until such amendment, continue to be references to Division 1 (commencing with Section 100) of Title 1 of the Corporations Code as in effect immediately prior to the effective date of this act. Nonprofit cooperative corporations organized pursuant to Title 22 (commencing with Section 653t) of Part 4 of Division First of the Civil Code prior to August 14, 1931 which have not elected to be governed by Part 2 (commencing with Section 12200) of Division 3 of Title 1 of the Corporations Code pursuant to

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Section 12206 of the Corporations Code, and existing as nonprofit cooperative corporations on January 1, 1977, shall be governed on and after such date by the General Nonprofit Corporation Law.

(b) Notwithstanding subdivision (a), subdivision (b) of Section 201 of the Corporations Code as in effect on January 1, 1977, and as subsequently amended, shall apply to all corporations.

SEC. 43.7. Section 18 of Chapter 682 of the Statutes of 1975, is amended to read:

Sec. 18. This act shall take effect on January 1, 1977; provided, however, that the provisions of the General Corporation Law as amended hereby and as subsequently amended shall become applicable to banks as defined in Section 102 of the Financial Code on January 1, 1978, and banks shall until that date continue to be subject to the General Corporation Law as in effect on December 31, 1976.

SEC. 43.8. This act (except Sections 42.1, 42.2, 42.3, 42.4, 42.5, 42.6 and 42.7) shall take effect on January 1, 1977. Sections 42.1, 42.2, 42.3, 42.4, 42.5, 42.6 and 42.7 of this act shall take effect on January 1, 1978.

SEC. 44. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

CHAPTER 642

An act to amend Sections 5005 and 5200 of, to add Sections 5007, 5007.5, 5009, 5016, 5017, 5018, 5019, 5020, 5021, 5022, and 5023 to, and Chapter 4 (commencing with Section 5300) of Division 2 to, and to repeal Section 5007 and Chapter 4 (commencing with Section 5300) of Division 2 of, the Unemployment Insurance Code, and to amend Sections 11300, 11301, 11303, 11304, and 11310 of, to add Section 11308 to, and to repeal Sections 11250.5, 11308, 11308.5, 11308.6, 11308.7, and 11308.8 of, the Welfare and Institutions Code, relating to work incentive programs.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 5005 of the Unemployment Insurance Code is amended to read:

5005. As used in this division, "work incentive programs" and "WIN" mean those programs established by the department pursuant to Section 5200.

SEC. 2. Section 5007 of the Unemployment Insurance Code is repealed.

SEC. 3. Section 5007 is added to the Unemployment Insurance Code, to read:

5007. A registrant certified by the SAU pursuant to Section 11300 of the Welfare and Institutions Code shall accept assignment to employment or WIN training as determined appropriate by the department or face deregistration action. The following standards shall be met before the department requires any such individual to accept a work or training assignment:

(a) All assignments for those in WIN training shall be within the scope of an individual's employability plan. This plan may be modified to reflect changed employment conditions.

(b) The job or training assignment shall be related to the capability of the individual to perform the task on a regular basis. Any claim of adverse effect on physical or mental health shall be based on an adequate medical testimony from a physician or licensed or certified psychologist indicating that participation would impair the individual's physical or mental health.

(c) The total daily commuting time to and from home to the work or training site to which the individual is assigned shall not normally exceed two hours, not including the transporting of a child to and from a child care facility, unless a longer commuting distance and time is generally accepted in the community, in which case the round trip commuting time shall not exceed the generally accepted community standards.

(d) When child care is required, it shall meet the standards specified in applicable federal law and shall be available during the hours the individual is engaged in a WIN component or manpower activity, plus any additional necessary commuting time.

(e) The work or training site to which the individual is assigned shall not be in violation of applicable federal, state and local health and safety standards.

(f) Assignments shall not be made which are discriminatory in terms of age, sex, race, creed, color, or national origin.

(g) The individual shall not be referred to work or training unless supportive and manpower services necessary for participation are available. The cessation or withdrawal of such necessary services while the individual is in a WIN component shall constitute good cause for refusal to participate.

(h) The quality of the training shall meet local employers' requirements so that the individual will be in a competitive position within the local labor market. The training shall also be likely to lead to employment which will meet the appropriate work criteria.

SEC. 4. Section 5007.5 is added to the Unemployment Insurance Code, to read:

5007.5. In addition to the standards prescribed by Section 5007, in determining "appropriate work" the department shall apply the following criteria:

(a) Appropriate work may be temporary, permanent, full-time, part-time, or seasonal work, if such work meets the other work

standards of this section.

(b) When an income disregard is available, the wage shall meet or exceed the federal or state minimum wage law, whichever is applicable, or if such laws are not applicable, the wage shall not be substantially less favorable than the wage normally paid for similar work in that labor market, but in no event shall it be less than three-fourths of the minimum wage rate set forth in Section 6(a)(1) of the Fair Labor Standards Act.

(c) When, as a result of becoming employed, no income disregard is available to the individual, the wage, less mandatory payroll deductions and a reasonable allowance for necessary employment related expenses, shall provide an income equal to or exceeding the family's AFDC cash benefit. The wage shall in no case be less than that required by any applicable minimum wage law.

(d) The daily hours of work and the weekly hours of work shall not exceed those customary to the occupation.

(e) No individual shall be required to accept employment if any of the following exist:

(1) The position offered is vacant due to a strike, lockout, or other bona fide labor dispute.

(2) The individual would be required to work for an employer contrary to the conditions of his or her existing membership in the union governing that occupation. However, employment not governed by the rules of a union in which he or she has membership may be deemed appropriate.

(3) The job offered would interrupt a program in progress under an approved employability plan leading to self-support or to the resumption of his or her regular job within a short period of time. This does not, however, preclude temporary employment during the interval prior to his or her reemployment in his or her regular job.

(4) The employer does not possess an appropriate state license to engage in his or her business, trade, or profession.

(5) The employer does not withhold or hold in trust the employee contributions required by Part 2 (commencing with Section 2601) of Division 1 for unemployment compensation disability benefits and does not transmit all such employee contributions to the Department of Benefit Payments for the Disability Fund as required by Section 986.

(6) The employer does not carry either workers' compensation insurance or possess a certificate of self-insurance as required by Division 4 (commencing with Section 3201) of the Labor Code.

SEC. 5. Section 5009 is added to the Unemployment Insurance Code, to read:

5009. The department shall deregister a registrant when it has been determined that any of the following exist:

(a) A certified registrant has failed or refused without good cause to participate in a work incentive program or to accept employment.

(b) The registrant has failed or refused without good cause to appear for appraisal.

(c) The registrant is a volunteer who withdraws from the work incentive program.

(d) An incorrect nonexemption determination has been made.

(e) The registrant becomes exempt.

(f) The registrant becomes ineligible for AFDC, except in the case where he or she is participating in an on-the-job training program or a public service employment program under this division, or is employed and receiving WIN-funded supportive services.

SEC. 6. Section 5016 is added to the Unemployment Insurance Code, to read:

5016. As used in this division, "AFDC" means the program authorized by Title IV of the Social Security Act to provide financial assistance and social services to needy families with children.

SEC. 7. Section 5017 is added to the Unemployment Insurance Code, to read:

5017. As used in this division, "appeals board" means the appellate body designated by the Secretary of the Health and Welfare Agency pursuant to Section 5301.

SEC. 8. Section 5018 is added to the Unemployment Insurance Code, to read:

5018. As used in this division, "hearing officer" means a hearing officer of the appeals board.

SEC. 9. Section 5019 is added to the Unemployment Insurance Code, to read:

5019. As used in this division, "National Review Panel" means the Federal National Review Panel established pursuant to Title IV of the Social Security Act.

SEC. 10. Section 5020 is added to the Unemployment Insurance Code, to read:

5020. As used in this division, "regional coordination committee" means a federal regional coordination committee established in each region pursuant to Title IV of the Social Security Act.

SEC. 11. Section 5021 is added to the Unemployment Insurance Code, to read:

5021. As used in this division, "registrant" means an AFDC applicant or recipient who has registered with the department for manpower services, training, and employment, and "certified registrant" means a registrant who has been certified for employment or training by the SAU pursuant to Section 11300 of the Welfare and Institutions Code.

SEC. 12. Section 5022 is added to the Unemployment Insurance Code, to read:

5022. As used in this division, "SAU" means the separate administrative unit established pursuant to Section 402(a) (19) (G) of the Social Security Act to provide services to registrants.

SEC. 13. Section 5023 is added to the Unemployment Insurance Code, to read:

5023. As used in this division, "volunteer registrants" means those

AFDC applicants or recipients who voluntarily register for WIN pursuant to subdivision (c) of Section 11310 of the Welfare and Institutions Code.

SEC. 14. Section 5200 of the Unemployment Insurance Code is amended to read:

5200. The department, in cooperation with the Secretary of Labor, shall establish work incentive programs as designated in Part C (commencing with Section 430) of Title IV of the Social Security Act, as amended, for persons as described in Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code and such other persons as may be permitted under subdivision (19) of Section 402(a) of the Social Security Act as amended.

SEC. 15. Chapter 4 (commencing with Section 5300) of Division 2 of the Unemployment Insurance Code is repealed.

SEC. 16. Chapter 4 (commencing with Section 5300) is added to Division 2 of the Unemployment Insurance Code, to read:

CHAPTER 4. COMPLAINTS, DETERMINATIONS, HEARINGS, AND APPEALS PROCEDURE

5300. The proceedings provided for under this chapter shall be governed by, and conducted in accordance with, the provisions of this chapter and of Chapter 7 (commencing with Section 10950) of Part 2 of, and Article 3 (commencing with Section 11300) of Chapter 2 of Part 3 of, Division 9 of the Welfare and Institutions Code to the extent such provisions are in accordance with federal law. In case of any conflict between the provisions of this chapter and the provisions of the Welfare and Institutions Code, the provisions of this chapter shall prevail with respect to the proceedings provided for under this chapter.

5301. The Secretary of the Health and Welfare Agency shall designate the appellate body responsible for the appeals provided for under this chapter.

5302. Whenever a registrant fails or refuses to appear for appraisal, or a certified registrant fails or refuses to accept employment or to otherwise participate in a work incentive program, the department shall determine whether the individual had good cause for such failure or refusal.

5303. Any complaint or dispute which concerns issues under WIN arising subsequent to registration and which cannot be resolved informally shall, upon the filing of a formal complaint by a registrant, be processed in the same manner as an appeal from a determination.

5304. (a) If the department determines that a registrant without good cause failed or refused to appear for appraisal, or a certified registrant without good cause fails or refuses to accept employment or to otherwise participate in a work incentive program, it shall mail to the registrant a notice of intended deregistration within 30 days of such failure or refusal.

(b) The notice shall include:

(1) A detailed explanation of the reason for the action and the consequence of refusal or failure to cooperate without good cause.

(2) Notification of the registrant's right to a hearing if the registrant believes the proposed action is incorrect and files a written request for a hearing as prescribed in Section 5305.

(3) Notice that the proposed action shall be implemented if a hearing request is not received within the prescribed time.

(4) Instructions and required forms for requesting a hearing.

(5) An offer to assist with preparation of the hearing request.

(6) Notice that the registrant may be represented at the hearing by counsel or other authorized representative appointed by the registrant, and that the registrant and his or her representative, if any, shall have the opportunity to confront and cross-examine opposing witnesses.

(7) Notice that the registrant shall be permitted to present material evidence and testimony at the hearing that is not already in the record.

(c) The requirements of this section do not apply to an individual who:

(1) Has successfully entered employment and is regularly employed; or

(2) Is deregistered as exempt; or

(3) Is deregistered as a result of becoming ineligible for welfare.

5305. An individual who believes the intended action is incorrect may request a hearing before a hearing officer within 10 days after the mailing of the notice of intended deregistration. The request for a hearing may be made either orally or in writing by the individual or his or her authorized representative to the department. If the request is oral, the department shall prepare the required forms on behalf of the individual and obtain the individual's signature on the forms.

5306. An individual may participate in, and accept the services of, a work incentive program without prejudicing his or her right to protest any actions. Such protest shall be handled in the same manner as if he or she had, in fact, refused to participate in the work incentive program project.

5307. (a) Upon receipt of a written request for a hearing, a notice of scheduled hearing shall be mailed to the individual and other parties within 10 days. The notice shall indicate the date, time, and place of the hearing, the issues to be considered, and the hearing procedures that will be followed. Hearings shall be scheduled no earlier than 10 days, nor later than 30 days, following the mailing of the hearing notice.

(b) The hearing officer may reschedule a hearing upon the request of the individual, his or her representative, or other party.

5308. (a) The testimony at the hearing shall be recorded.

(b) The case record shall be available for inspection and copying by any party at, prior to, or subsequent to the hearing upon request.

(c) The hearing officer shall, if feasible, resolve the dispute by conciliation at any time prior to the conclusion of the hearing.

5309. (a) The hearing officer may rule any of the following:

(1) That the individual has failed to appear for appraisal without good cause or has failed or refused to participate without good cause, and that appropriate deregistration shall be initiated.

(2) That good cause has been shown for failure or refusal to participate, and the individual shall be retained in the program.

(3) That the request for a hearing is dismissed because of any of the following:

(A) It was filed untimely without good cause.

(B) It has been withdrawn in writing.

(C) The individual failed to appear at the hearing without good cause.

(D) Reasonable cause exists to believe that the request has been abandoned or that repeated requests for rescheduling are arbitrary and for the purpose of unduly delaying or avoiding a hearing, in which case the Department of Benefit Payments may initiate necessary action to impose appropriate sanctions.

(4) That the individual was appropriately or inappropriately assigned.

(5) Such other rulings as are appropriate to the issues in question. However, a hearing officer shall not consider the validity or constitutionality of any of the applicable laws.

(b) Based on the entire record, including any evidence and oral testimony provided at the hearing, the hearing officer shall prepare a written decision. Within 10 working days following the hearing, a copy of the decision stating the hearing officer's findings and conclusions of law and the reasons therefor shall be mailed to the individual and his or her authorized representative, if any, the department, the SAU, and the regional coordination committee. Instructions for appealing an adverse decision or recommendation to the appropriate appellate body shall be attached to the individual's copy of the decision.

(c) In cases involving novel questions of law or policy, the hearing officer may, within five days after issuing his or her written decision, certify the case for review and decision to the appeals board.

5310. (a) Any party who disagrees with the hearing officer's decision may request a review of the decision by the appeals board within 10 days following the date on which the hearing officer's decision is mailed. A request for appellate review of the hearing officer's decision shall not stay implementation of the decision.

(b) Within 30 days after receipt of the request for review, the appeals board shall prepare a written decision either affirming of reversing the hearing officer's decision or it may remand the case to a hearing officer for further evidence. The decision shall be based on its review of the entire hearing record and any additional written evidence submitted or obtained in connection with its consideration of the appeal. However, in no case shall new evidence be admitted

if it brings into question the validity or constitutionality of the applicable law. The decision shall state the findings of fact and conclusions of law and the reasons therefor. Copies of the decision shall be mailed to the individual, his or her authorized representative, if any, the department, the SAU, the regional coordination committee, and the National Review Panel. Instructions for appealing a decision to the National Review Panel and the rules under which it considers appeals shall be attached to the individual's copy of the decision.

(c) While reviewing a case, the appeals board may consider novel questions of law or policy or certify the case within five days after rendering its decision to the National Review Panel for review and decision.

(d) If a hearing officer's adverse decision is reversed on appellate review, the individual shall be paid such retroactive WIN and welfare benefits as may be applicable and, where appropriate, shall be reinstated in the program.

5311. (a) Benefits under this division shall cease and a 60-day counseling period by the SAU shall commence to run on the fifth business day after any of the following events:

(1) The expiration of the prescribed time period for filing a request for a hearing on a proposed deregistration from WIN, or the date on which the request for such hearing is dismissed.

(2) The date of the hearing officer's decision that the disputant has refused or failed to appear for appraisal, to accept employment, or otherwise participate in the WIN program without good cause.

(3) A decision rendered by appeals board or the National Review Panel which reverses a decision favorable to a WIN registrant.

(b) The SAU shall provide counseling for a period of up to 60 days, to those certified registrants who have been determined to have refused to participate in the WIN program without good cause, for the purpose of persuading them to participate in WIN. The counseling may be terminated at any time during this period at the discretion of the SAU when it becomes apparent that the counseling efforts are proving unsuccessful. Once a period of counseling and other services has been provided to an individual, and he or she has again been found to have refused training or employment under WIN without good cause, the SAU shall not provide another period of counseling and other services.

(c) The 60-day counseling period shall not be provided to uncertified registrants.

(d) A certified registrant who fails without good cause to appear for two or more scheduled counseling meetings shall be considered to have terminated the counseling.

(e) Certified registrants who complete the 60-day counseling may be reaccepted into WIN only with the concurrence of the SAU.

5312. (a) An individual who was deregistered on the basis of a "without good cause" determination may, upon application, again register for WIN, if 90 days have elapsed since his or her

deregistration and he or she has given evidence to the department of willingness to participate. If he or she is subsequently deregistered following a "without good cause finding," he or she shall not be registered or reaccepted in the WIN program unless satisfactory evidence is given of willingness to participate and six months have elapsed since the effective date of the latest deregistration.

(b) An individual who has been reaccepted into the WIN program after such deregistration shall have the same rights as an individual who registers for the first time.

(c) Reacceptance into the WIN program may be denied where the termination action was the result of the individual's disruptive behavior or of criminal or other activities which presented a hazard to the department staff or others.

5313. A decision of the appeals board under this chapter shall be final and no appeal may be taken therefrom except that the individual shall be entitled to any right of further appeal guaranteed him or her by federal law.

SEC. 17. Section 11250.5 of the Welfare and Institutions Code is repealed.

SEC. 18. Section 11300 of the Welfare and Institutions Code is amended to read:

11300. A separate administrative unit in accordance with the provisions of Section 402(a) (19) (G) of the Social Security Act shall certify individuals who have registered under Section 11310 for employment or training in accordance with criteria for certification established by the State Department of Health pursuant to subdivision (19) (G) of Section 402(a) of the Social Security Act as amended. In developing the criteria for certification the State Department of Health shall consult with the Employment Development Department and Department of Benefit Payments.

SEC. 19. Section 11301 of the Welfare and Institutions Code is amended to read:

11301. The State Department of Health shall identify the kinds of information regarding persons registered pursuant to Section 11310 which are required for the efficient administration of work incentive programs, and develop methods and procedures which will assure the prompt and orderly exchange of such information between the State Department of Health and the Employment Development Department. Such methods and procedures shall, when promulgated by the State Department of Health, be binding upon the county departments.

SEC. 20. Section 11303 of the Welfare and Institutions Code is amended to read:

11303. Nothing in this chapter shall be construed to deny social services for former or potential recipients of aid under this chapter to persons referred to the Employment Development Department under this article while participating in a work incentive program when such services are requested by the Employment Development Department, to the extent permitted by federal law.

SEC. 21. Section 11304 of the Welfare and Institutions Code is amended to read:

11304. Except as required by federal law, nothing in this article shall be construed to preclude or modify aid or services under this chapter to a person who refuses to participate, or discontinues participation, in a work incentive program, in any of the following circumstances:

(a) Prior to a ruling by a hearing officer that such person has failed to appear for appraisal without good cause or has failed or refused to participate without good cause, pursuant to the provisions of Chapter 4 (commencing with Section 5300) of Division 2 of the Unemployment Insurance Code.

(b) The Employment Development Department determines that his or her participation or continuance in a work incentive program would not be useful or beneficial to him or her.

(c) The Employment Development Department determines that an appropriate work incentive program is not available for him or her because of lack of funds.

(d) Any circumstance which is not a basis for precluding or modifying such aid or services permitted under federal law.

SEC. 22. Section 11308 of the Welfare and Institutions Code is repealed.

SEC. 23. Section 11308 is added to the Welfare and Institutions Code, to read:

11308. (a) Upon notification by the Employment Development Department that, pursuant to Chapter 4 (commencing with Section 5300) of Division 2 of the Unemployment Insurance Code, an individual registered pursuant to Section 11310 has been found to have failed or refused to appear for appraisal, to accept employment, or to otherwise participate in a work incentive program, the county department shall apply the following sanctions:

(1) If such individual is a caretaker relative receiving aid under this chapter, his or her needs shall not be taken into account in determining the family's need for assistance, and assistance in the form of protective or vendor payments shall be provided to the remaining members of the assistance unit. Under such circumstances, the caretaker relative may not be the protective payee.

(2) If such individual is the only dependent child in the family, assistance for the family shall be denied.

(3) If such individual is one of several dependent children in the family, assistance for such child shall be denied and his or her needs shall not be taken into account in determining the family's need for assistance.

(b) The sanctions under subdivision (a) of this section shall not be applied during a period of up to 60 days after such adverse decision, if the registrant has been certified and accepts counseling and other necessary services aimed at persuading him or her to participate in the WIN program. Meanwhile, where the individual is a caretaker

relative, assistance to his or her family in the form of protective or vendor payments and counseling and other necessary services shall be provided.

(c) If an individual is a volunteer registrant and discontinues participation in the work incentive program, the volunteer registrant and his or her family are not subject to the sanctions under this section.

SEC. 24. Section 11308.5 of the Welfare and Institutions Code is repealed.

SEC. 25. Section 11308.6 of the Welfare and Institutions Code is repealed.

SEC. 26. Section 11308.7 of the Welfare and Institutions Code is repealed.

SEC. 27. Section 11308.8 of the Welfare and Institutions Code is repealed.

SEC. 28. Section 11310 of the Welfare and Institutions Code is amended to read:

11310. (a) Except for individuals provided for in Section 11251 and as provided in subdivision (b), every individual, as a condition for eligibility for aid under this chapter, shall register and remain so registered with the Employment Development Department for manpower services, training, and employment.

(b) The following individuals are not required to register with the Employment Development Department:

(1) An individual under 16.

(2) A child attending school full time.

(3) An individual who is ill, incapacitated or of advanced age.

(4) An individual so remote from a work incentive project that his or her effective participation is precluded.

(5) An individual whose presence in the home is required because of illness or incapacity of another member of the household.

(6) A parent with primary responsibility for the care of a child under the age of six or other relative who is caring for such child.

(7) A parent or other relative who is caring for a child if the other parent or another adult relative meets all of the following requirements:

(A) The other parent or adult relative is in the home.

(B) He or she is not excluded by paragraph (1), (2), (3), (4), or (5) of this subdivision.

(C) He or she has not failed to register as required by this section or has not been found pursuant to Chapter 4 (commencing with Section 5300) of Division 2 of the Unemployment Insurance Code to have refused without good cause to participate under a work incentive program or to accept employment, to the extent not in conflict with federal law.

(c) Any individual not required to register with the Employment Development Department may choose to register voluntarily for manpower services, training, and employment, and may withdraw such registration at any time without loss of eligibility for aid under

this chapter, if his or her status has not changed in a way which would require registration.

SEC. 29. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because this act merely affirms for the state that which has been declared existing law or regulation through action by federal government.

CHAPTER 643

An act to amend Section 190.5 of the Education Code, relating to cooperative education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 190.5 of the Education Code is amended to read:

190.5. The office of the Chancellor of the California Community Colleges shall conduct a pilot program of up to five years' duration in cooperative education for not more than five community college districts. For the purposes of this act, "cooperative education" means on-the-job experience directly related to the student's educational goals. Cooperative education requires the supervision of an appropriately credentialed faculty member and is not limited to vocational education.

In order to enroll in a cooperative education program, a student must have earned at least 12 semester units or 18 quarter units at the community college at which he seeks to enroll in the program.

A student enrolled in a cooperative education program may not receive more than one semester unit for each five hours of fieldwork per week or one quarter unit for each 3⅓ hours of fieldwork per week.

No student may receive more than 16 units of semester credit or 24 units of quarter credit for cooperative education classes. No student may enroll in a cooperative education program for more than eight units per semester or 12 units per quarter.

No student may enroll jointly in a cooperative education program and a work experience education program. Any credit for work experience education which had been earned by a student prior to his enrollment in a cooperative education program shall be deducted from the maximum number of units for cooperative education allowable under the fourth paragraph of this section.

Average daily attendance in cooperative education shall be computed pursuant to Section 11484. The Chancellor of the

California Community Colleges shall approve cooperative education programs which comply with existing regulations for new educational program approval and the other provisions of this section.

Followup evaluations and recommendations for new cooperative education programs, based upon the findings of the five-year study, shall be made by the office of the Chancellor of the California Community Colleges.

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

In order that the pilot program continue operation for two additional years, and in order that the authorization for continuance may be afforded prior to the expiration of the program as fixed pursuant to present law, it is necessary that this act take effect immediately.

CHAPTER 644

An act to amend Sections 59082, 59083, 59087, and 59111 of the Food and Agricultural Code, relating to marketing of agricultural products.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 59082 of the Food and Agricultural Code is amended to read:

59082. The director shall terminate any marketing order if he finds that the termination of the marketing order is requested in writing, within a 90-day period, by at least 51 percent of the producers that are directly affected that produce at least 51 percent of the volume of the product, or by at least 51 percent of the handlers that are directly affected that handle at least 51 percent of the volume of the product.

The person or persons originating such a written request shall file a written notice with the director in such a manner that the date such a request is initiated can be readily ascertained. Any such person may withdraw his name from such a written request until the time the request is presented to the director.

A request to terminate a marketing order shall be submitted to the director by a petition signed by not less than the number of producers or handlers which produce or handle the volume of products specified in this section. The signatures to the petition need not all be appended to one sheet of paper. Each person signing the

petition shall add to his signature his place of business, giving street and number. If no street and number exist, then a designation of the place of business shall be given which will enable the location to be readily ascertained.

Before circulating a petition to terminate a marketing order, its proponents shall notify the director of their intent to do so in order to ascertain the beginning date of the 90-day period.

After such notification to the director, the petition may be circulated among the producers or handlers affected. The petition shall bear a copy of the notice of intention. Signatures shall be secured within the time limit specified in this section. Any person may withdraw his name from a petition to terminate any marketing order until the time the petition is presented to the director.

SEC. 2. Section 59083 of the Food and Agricultural Code is amended to read:

59083. If at least 25 percent of the producers that are directly affected that produce at least 25 percent of the product and at least 25 percent of the handlers that are directly affected that handle at least 25 percent of the product request, within a 90-day period, that such marketing order be submitted to reapproval, the director shall hold a hearing on the question of the reapproval of such marketing order, and whether such reapproval shall be by assent or referendum.

If the director finds after the hearing that a substantial question exists as to whether such marketing order is contrary to, or does not effectuate the declared purposes or provisions of, this chapter within the standards and subject to the limitations and restrictions which are imposed in this chapter, such marketing order shall be submitted for the reapproval of those producers and handlers that are directly affected, as provided in this article, within 120 days of the receipt of the original request.

The person or persons originating such a request shall file a written notice with the director in such a manner that the date such a request is initiated can be readily ascertained. Persons may withdraw their names from such a request until the time the request is presented to the director.

A request to hold a public hearing on a marketing order shall be submitted to the director by a petition signed by not less than the number of producers or handlers which produce or handle the volume of products specified in this section. The signatures to the petition need not all be appended to one sheet of paper. Each person signing the petition shall add to his signature his place of business, giving street and number. If no street and number exist, then a designation of the place of business shall be given which will enable the location to be readily ascertained.

Before circulating a petition to hold a public hearing on a marketing order, its proponents shall notify the director of their intent to do so in order to ascertain the beginning date of the 90-day period.

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After such notification to the director, the petition may be circulated among the producers or handlers affected. The petition shall bear a copy of the notice of intention. Signatures shall be secured within the time limit specified in this section. Any person may withdraw his name from a petition to hold a public hearing on any marketing order until the time the petition is presented to the director.

SEC. 3. Section 59087 of the Food and Agricultural Code is amended to read:

59087. (a) The director may terminate, without a public hearing, any marketing order or marketing agreement which has been inoperative for three consecutive marketing seasons after giving notice of intent to terminate such marketing order or marketing agreement pursuant to subdivision (b) of this section.

(b) The notice shall be posted on a public bulletin board which the director shall maintain in his office. Termination shall not become effective until five days after the date of such posting. The director shall also issue at the time of such posting, a public notice to newspapers of general and statewide circulation concerning his intention to terminate such marketing order or marketing agreement.

SEC. 4. Section 59111 of the Food and Agricultural Code is amended to read:

59111. Upon the issuance of any order which makes effective a marketing order, or any suspension, amendment, or termination of a marketing order, a notice of the issuance shall be posted on a public bulletin board which the director shall maintain in his office. A marketing order, or any suspension, amendment, or termination of it, shall not become effective until five days after the date of such posting. The director shall also mail a copy of the notice to every person that is directly affected by the terms of such marketing order, suspension, amendment, or termination, whose name and address is on file in the office of the director, and to every person that files in the office of the director a written request for such notice.

This section does not apply to the termination of any marketing agreement under Section 59087.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

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CHAPTER 645

An act to amend Sections 12509, 17711, and 17712 of the Vehicle Code, relating to drivers' licenses.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 12509 of the Vehicle Code is amended to read:

12509. (a) Except as otherwise provided in subdivision (f) of Section 12514, the department, for good cause, may issue an instruction permit to any physically and mentally qualified person who meets one of the following requirements and who applies to the department for an instruction permit:

(1) Is age 15 years and 6 months or over and has successfully completed approved courses in automobile driver education and driver training as provided in Section 12507.

(2) Is age 15 years and 6 months or over and has successfuly completed an approved course in automobile driver education and is taking driver training as provided in Section 12507.

(3) Is age 15 years or over and is enrolled in an approved driver education course and is at the same time or during the same semester enrolled in an approved driver training course.

(4) Is over the age of 17 years and 6 months.

(b) An instruction permit issued pursuant to subdivision (a) shall entitle the applicant to operate a vehicle, subject to the limitations imposed by this section and any other provisions of law, upon the highways for a period not exceeding 12 months.

(c) Any person, while having in his immediate possession a valid permit issued pursuant to subdivision (a), may operate a motor vehicle, other than a motorcycle or a motorized bicycle, when either taking the driver training instruction of a kind referred to in Section 12507, or when practicing such instruction, and when accompanied by, and under the immediate supervision of, a California licensed driver 18 years of age or over whose driving privilege is not on probation. Except as provided in subdivision (d), such an accompanying licensed driver at all times shall occupy a position within the driver's compartment that would enable such accompanying licensed driver to assist the driver in controlling the vehicle as may be necessary to avoid a collision and to provide immediate guidance in the safe operation of such vehicle.

(d) Any person while having in his immediate possession a valid permit issued pursuant to subdivision (a), who is age 15 years and 6 months or over and who has successfully completed approved courses in automobile education and driver training as provided in Section 12507, and any person while having in his immediate

possession a valid permit issued pursuant to subdivision (a) who is age 17 years and 6 months or over, may, in addition to operating a motor vehicle pursuant to subdivision (c), also operate a motorcycle or a motorized bicycle, except that such person shall not operate a motorcycle or a motorized bicycle during hours of darkness, shall stay off any freeways which have full control of access and no crossings at grade and shall not carry any passenger except an instructor licensed under Chapter 1 (commencing with Section 11100) of Division 5 of this code or a qualified instructor as defined in Section 18252.2 of the Education Code.

(e) No student shall take driver training instruction unless he is at the same time taking driver education instruction or has successfully completed driver education.

(f) The department may also issue an instruction permit to a person who has been issued a valid driver's license to authorize the person to obtain driver training instruction and to practice such instruction in order to obtain another class of driver's license or an endorsement.

(g) The department may further restrict permits issued under subdivision (a) as it may determine to be appropriate to assure the safe operation of a motor vehicle by the permittee.

SEC. 2. Section 17711 of the Vehicle Code is amended to read:

17711. Any person who has signed and verified the application of a minor for a driver's license or any employer who has authorized the issuance of a license to a minor and who desires to be relieved from the joint and several liability imposed by reason of having signed and verified such application, may file a verified application with the department requesting that the license of the minor be canceled. The department shall cancel the license, except as provided in subdivision (e) of Section 17712. Thereafter, the person shall be relieved from the liability imposed under this chapter by reason of having signed and verified the original application on account of any subsequent willful misconduct or negligent operation of a motor vehicle by the minor.

SEC. 3. Section 17712 of the Vehicle Code is amended to read:

17712. (a) The department, upon receipt of satisfactory evidence of the death of the father and mother or the person or guardian who signed and verified the application of any minor under Section 17701 or any employer who signed and verified the application of any minor under subdivision (a) of Section 17706, shall cancel the license, except as provided in subdivision (e).

(b) The department, upon receipt of the verified application of a person who has given written consent to the issuance of a license to a minor as prescribed in Sections 17705 and 17706, for the cancellation of such minor's license, shall cancel the license, except as provided in subdivision (e).

(c) The department, upon receipt of satisfactory evidence that there has been a change of custody of a minor licensed under Chapter 1 (commencing with Section 12500) of Division 6, and upon

written request by the person to whom custody has been transferred, shall cancel the license.

(d) The department, upon receipt of satisfactory evidence showing that any minor to whom was issued a license pursuant to Section 17706, has left the employ of the employer who signed and verified the application for the license, shall cancel the license, except as provided in subdivision (e).

(e) The department, upon written request by the person to whom custody of a minor has been transferred, shall transfer the liability imposed under this chapter to such person upon receipt of such person's written verified application for acceptance of liability. Upon receipt, by the department, of such application for acceptance of liability, the person who had signed and verified the application of the minor for the driver's license presently held by the minor shall be relieved from the liability imposed under this chapter. If such application for acceptance of liability is on file with the department prior to the receipt of a request for cancellation by the person who had signed the application of the minor for a driver's license, the license issued under such application shall not be canceled so long as the license is otherwise valid. If, however, such application for acceptance of liability is not on file with the department prior to the receipt of a request for cancellation by the person who had signed the application of the minor for a driver's license, the license issued under such application shall be canceled.

CHAPTER 646

An act to amend Section 10807 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 10807 of the Welfare and Institutions Code is amended to read:

10807. Each county department shall compile and maintain a list of private and public agencies which provide charitable and social services in the county, showing the name of each agency and the type of service performed by the agency, application procedure; eligibility for service; availability of service including hours, physical location, and waiting lists if any; fees or other expense charged to the client; facilitating services available such as translation or transportation; geographic area served; and source of funds supporting the agency. The list shall conform to a uniform service classification system and terminology to be developed and promulgated by the State Office of Planning and Research and shall

be updated by county departments no less often than annually. If an applicant for public assistance, including an applicant for assistance under Part 5 of this division, is found to be ineligible for such assistance, the county department, if necessary, shall make every effort to refer him to an agency in the county that may be able to assist him with his problem.

The classification system required by this section shall constitute a minimum standard for compiling and maintaining the list.

Nothing in this section shall prohibit county departments from entering into agreements with public or private agencies to develop and maintain the required list.

Notwithstanding any other provision of this section, any county compiling and maintaining its list on electronic data-processing equipment as of July 1, 1977 which finds that it will incur a substantial one-time program conversion cost to conform to the uniform service classification system may report such finding with its estimate of conversion costs to the Director of the Office of Planning and Research. The State Data Processing Management Office in the Department of Finance shall assist the Director of the Office of Planning and Research in determining the reasonableness of county cost estimates, and upon a finding of substantial cost, the Director of the Office of Planning and Research shall transmit such finding to the Legislature, specifying the county affected and the program conversion costs anticipated. Reimbursement of such costs under Section 2231 of the Revenue and Taxation Code shall be provided within the regular budgetary process or through other legislation appropriating funds for such purpose. In the absence of such reimbursement, counties coming under this paragraph shall not be subject to the requirement to conform to the uniform service classification system in compiling and maintaining the list. To be eligible for reimbursement, an affected county shall submit its cost estimate to the Director of the Office of Planning and Research no later than October 1, 1978.

SEC. 2. The State Office of Planning and Research shall develop the uniform service classification system and terminology required under Section 10807 of the Welfare and Institutions Code by July 1, 1978, after consultation with an advisory committee made up of persons appointed by the Director of the Office of Planning and Research from representatives nominated by directors of state agencies providing social services, the League of California Cities, the County Supervisors Association of California, California Committee of Regional Council Directors, the United Way of California, the California Welfare Rights Organization, and the County Welfare Directors' Association of California. Such advisory committee shall cease to function after June 30, 1978.

SEC. 3. It is the intention of the Legislature that the list required under Section 10807 of the Welfare and Institutions Code be used for purposes of assessing the state's most urgent needs for social services and for assisting local government officials in allocating their

resources to areas of greatest need as well as for information and referral of applicants for assistance. It is further the intention of the Legislature, by this act, to standardize the format and content of the referral lists which are currently required by law and administrative regulation.

SEC. 4. Section 1 of this act shall become operative on July 1, 1978.

SEC. 5. This act will not impose any costs on local entities in the 1976–77 fiscal year. Except as provided under Section 10807 of the Welfare and Institutions Code, any costs imposed on local entities by this act in the 1977–78 fiscal year and subsequent years will be indistinguishable from those incurred in the normal course of operations of those entities. Therefore, notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations, and responsibilities imposed upon local entities by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 647

An act to add Sections 71083.1 and 71085.1 to the Government Code, relating to courts.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 71083.1 is added to the Government Code, to read:

71083.1. Notwithstanding any other provision of law, upon the consolidation or annexation by the board of supervisors of the entire territory of two or more existing municipal court districts, the number of judgeships for the consolidated municipal court shall be the combined number of judgeships previously authorized for each of the component courts.

SEC. 2. Section 71085.1 is added to the Government Code, to read:

71085.1. (a) Notwithstanding any other provision of law, upon the consolidation or annexation by the board of supervisors of the entire territory of two or more existing municipal court districts, the number of clerks, marshals, their deputies and attachés, and all other officers and employees for the consolidated municipal court shall be the combined number of clerks, marshals, their deputies and attachés, and all other officers and employees previously authorized for each of the component courts. They shall receive the same compensation previously fixed for their positions before the

consolidation or annexation. Such number and compensation shall be on an interim basis and shall expire January 1 of the second calendar year following the consolidation or annexation unless sooner changed by action of the Legislature.

(b) The clerk or clerk/administrator of the consolidated municipal court shall be selected by the judges of the consolidated municipal court from the incumbent clerks or clerk/administrators of the component courts. The marshal of the consolidated municipal court shall be selected by the judges of the consolidated court from the incumbent marshals of the component courts.

CHAPTER 648

An act to amend Section 1513 of the Code of Civil Procedure, relating to unclaimed property.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 1513 of the Code of Civil Procedure is amended to read:

1513. Subject to Sections 1510 and 1511, the following property held or owing by a business association escheats to this state:

(a) Any demand, savings, or matured time deposit made with a banking organization, together with any interest or dividends thereon, excluding, from demand deposits only, any reasonable service charges which may lawfully be withheld and which do not (where made in this state) exceed those set forth in schedules filed by the banking organization from time to time with the State Controller, when the owner, for more than seven years, has not:

(1) Increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) Corresponded in writing with the banking organization concerning the deposit; or

(3) Otherwise indicated an interest in the deposit as evidenced by a memorandum or other record on file with the banking organization.

No banking organization may discontinue any interest or dividends on any savings deposit because of the inactivity contemplated by this section.

(b) Any funds paid toward the purchase of shares or other interest in a financial organization or any deposit made therewith, and any interest or dividends thereon, excluding any service charges the amount of which is specifically provided by federal statute or regulation of a federal agency and which do not (where paid or made

in this state) exceed those set forth in schedules filed by the financial organization from time to time with the State Controller, when the owner, for more than seven years, has not:

(1) Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) Corresponded in writing with the financial organization concerning the funds or deposit; or

(3) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum or other record on file with the financial organization.

No financial organization may discontinue any interest or dividends on any funds paid toward purchase of shares or other interest, or on any deposit, because of the inactivity contemplated by this section.

(c) Any sum payable on a travelers check issued by a business association that has been outstanding for more than 15 years from the date of its issuance, when the owner, for more than 15 years, has not corresponded in writing with the business association concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with such association.

(d) Any sum payable on any other written instrument on which a banking or financial organization is directly liable, including, by way of illustration but not of limitation, any draft, certified check, or money order, that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, when the owner, for more than seven years, has not corresponded in writing with the banking or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the banking or financial organization.

(e) Any sum payable on a money order issued by a business association (other than a banking or financial organization) that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, when the owner, for more than seven years, has not corresponded in writing with the business association concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the business association.

CHAPTER 649

An act to amend Sections 229 and 296.4 of the Probate Code, relating to succession.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 229 of the Probate Code is amended to read:

229. (a) If the decedent leaves neither spouse nor issue, and the estate or any portion thereof was separate property of a previously deceased spouse, and came to the decedent from such spouse by gift, descent, devise or bequest, or became vested in the decedent on the death of such spouse by right of survivorship in a homestead or in a joint tenancy between such spouse and the decedent, such property goes in equal shares to the children of the deceased spouse and to their descendants by right of representation, and if none, then to the parents of the deceased spouse, in equal shares, or if either is dead to the survivor, or if both are dead, in equal shares to the brothers and sisters of the deceased spouse and to their descendants by right of representation.

(b) If the decedent leaves neither issue nor spouse, that portion of the estate created by gift, descent, devise, or bequest from the separate property of a parent or grandparent shall go to the parent or grandparent who made such gift, devise, or bequest or from whom the property descended, or if such parent or grandparent is dead, such property shall go in equal shares to the heirs of such deceased parent or grandparent.

(c) If any of the property subject to the provisions of this section would otherwise escheat to this state because there is no relative, including next of kin, of one of the spouses to succeed to such portion of the estate, such property shall be distributed in accordance with the provisions of Section 296.4.

SEC. 2. Section 296.4 of the Probate Code is amended to read:

296.4. Where a husband and wife have died, leaving community property and there is no sufficient evidence that they have died otherwise than simultaneously, one-half of all the community property shall be administered upon, distributed, or otherwise dealt with, as if the husband had survived and as if said one-half were his separate property and the other one-half thereof shall be administered upon, distributed, or otherwise dealt with, as if the wife had survived and as if said other one-half were her separate property, except as provided in Section 296.3.

If a portion of the estate which was the community property of the husband and wife would otherwise escheat to the state under this section and Sections 201, 228, and 231, or if a portion of the estate which was separate property of a previously deceased spouse would otherwise escheat to the state under Section 229, because there is no relative, including next of kin, of one of the spouses to succeed to such portion of the estate, such portion of the estate shall be distributed in equal shares to the children of the other spouse and to their descendants by right of representation, or if such other spouse leaves no children, nor descendants of a deceased child, in equal shares to the parents of such other spouse, or if either is dead to the

survivor, or if both are dead, in equal shares to the brothers and sisters of such other spouse and to their descendants by right of representation, or if such other spouse leaves neither parent, brother, sister, nor descendant of a deceased brother or sister, such portion of the estate goes to the next of kin of such other spouse in equal degree, except that when there are two or more collateral kindred in equal degree, but claiming through different ancestors, those who claim through the nearest ancestor must be preferred to those claiming through an ancestor more remote.

CHAPTER 650

An act to add Part 4 (commencing with Section 23000) to Title 3 of, and to repeal Part 4 (commencing with Section 23000) of Title 3 of, the Corporations Code, and to amend Section 24413 of the Revenue and Taxation Code, relating to real estate investment trusts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Part 4 (commencing with Section 23000) of Title 3 of the Corporations Code is repealed.

SEC. 2. Part 4 (commencing with Section 23000) is added to Title 3 of the Corporations Code, to read:

PART 4. REAL ESTATE INVESTMENT TRUSTS

23000. "Real estate investment trust" as used in this part means any unincorporated association or trust formed to engage in business and managed by, or under the direction of, one or more trustees for the benefit of the holders or owners (hereinafter in this part "shareowners") of transferable shares of beneficial interest in the trust estate (hereinafter in this part "shares") and which meets one of the following two tests:

(a) It received, prior to the effective date of this part, an order, permit or qualification from the Commissioner of Corporations pursuant to the provisions of the Corporate Securities Law of 1968 or any predecessor statute finding that it was a real estate investment trust, notwithstanding the subsequent amendment, suspension or revocation of any such finding, order, permit or qualification, and it has for one or more of its three fiscal years immediately prior to the effective date of this part complied with, or in good faith filed a federal income tax return on the basis that it has complied with the requirements for real estate investment trusts set forth in Section 856 of the Federal Internal Revenue Code; or

(b) It is formed for the purpose of engaging in business as a real estate investment trust under Part II of Subchapter M of Chapter 1 of Subtitle A of the Federal Internal Revenue Code of 1954, as amended from time to time; the sale of its shares has been qualified at any time by the Commissioner of Corporations pursuant to the Corporate Securities Law of 1968; and in good faith it has commenced business as a real estate investment trust.

An unincorporated association or trust which otherwise meets the requirements of this section shall not be affected in its status as a real estate investment trust whether or not it is in fact taxable for any year or years under Part II of Subchapter M of Chapter 1 of Subtitle A of the Federal Internal Revenue Code of 1954, as amended from time to time.

23001. No shareowner of a real estate investment trust shall be personally liable as such for any liabilities, debts or obligations of, or claims against, the real estate investment trust, whether arising before or after such shareowner became the owner or holder of the shares thereof.

23002. Section 23001 shall apply to any real estate investment trust organized under the laws of this state with respect to liabilities, debts, obligations and claims wherever arising, and to any real estate investment trust organized under the laws of a foreign jurisdiction with respect to liabilities, debts, obligations and claims arising in this state.

23003. A real estate investment trust shall not issue any security redeemable at the option of the holder of the security.

23004. Section 23001 shall apply with respect to all liabilities, debts, obligations of, and claims against, a real estate investment trust arising after the effective date of this part, and prior law shall continue to govern with respect to liabilities, debts, obligations and claims existing on the effective date of this part. No implication shall be created by the adoption of this part that the holders or owners of shares of beneficial interest in business trusts which do not meet the definition of real estate investment trust in Section 23000 are, or are not, as such, personally liable for the liabilities, debts or obligations of, or claims against, any such trust.

SEC. 3. Section 24413 of the Revenue and Taxation Code is amended to read:

24413. (a) Unincorporated trusts or unincorporated associations which are subject to the provisions of this part for the income year, and which qualify for federal tax purposes as "real estate investment trusts" under Sections 856, 857 and 858 of the Internal Revenue Code of 1954 (as amended by Public Law 93-625), shall be entitled to a deduction for income distributed during the income year.

(b) For the purposes of this section, if a real estate investment trust:

(1) Declares a dividend before the time prescribed by law for the filing of its return for an income year (including the period of any extension of time granted for filing such return); and

(2) Distributes the amount of such dividend to shareholders or holders of beneficial interests in the 12-month period following the close of such income year and not later than the date of the first regular dividend payment made after such declaration, the amount so declared and distributed shall, to the extent the trust elects in its return filed with the Internal Revenue Service pursuant to Section 858 of the Internal Revenue Code of 1954, be considered as having been paid during such income year, except as provided in subdivisions (c) and (d).

(c) Amounts to which subdivision (b) applies shall be treated as received by the shareholder or holder of a beneficial interest in the income year in which the distribution is made.

(d) In the case of amounts to which subdivision (b) applies, any notice to shareholders or holders of beneficial interests required under this section with respect to such amounts shall be made not later than 30 days after the close of the income year in which the distribution is made.

SEC. 4. Section 3 of this act shall be applied in the computation of taxes with respect to tax returns due (without regard to any extension of time for filing) on or after the effective date of this act.

SEC. 5. The repeal of Part 4 (commencing with Section 23000) of Title 3 of the Corporations Code shall not subject to liability any shareholder, as such, of a real estate investment trust who was entitled to the benefits afforded by such part at the effective date of this act.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect.

(a) With regard to Section 2 of this act, the facts constituting such necessity are:

The economic condition of the real estate investment trust industry is such that many real estate investment trusts are in danger of becoming unavoidably disqualified under the provisions of the Federal Internal Revenue Code applicable to real estate investment trusts, or it is necessary or desirable for such trusts to disqualify themselves under those provisions for the benefit of their shareholders; and under the present provisions of the Corporations Code, such disqualification might lead to a revocation of the permits previously granted to them by the Commissioner of Corporations or the revocation of the finding that they are real estate investment trusts as defined in the Corporations Code, thereby possibly imposing personal liability upon the public shareholders of the trusts for the debts and obligations of the trusts.

(b) With regard to Section 4 of this act, the facts constituting such necessity are:

The action of the United States Congress in enacting Sections 856, 857 and 858 of the Internal Revenue Code of 1954, concurred in by the California Legislature in extending conduit tax treatment to real

estate investment trusts in 1968, was to afford an opportunity for the small investor to participate in large real estate investments with expert management on a scale previously available only to a few wealthy individuals; to encourage the growth of such investment trusts to increase the funds available for equity financing of the large real estate developments and redevelopments needed in metropolitan areas; and to avoid the inherent inequity of double taxation, particularly for the small investors.

By reason of the recent recession and unanticipated negative developments in the real estate sector of the economy these expressed legislative purposes are now being largely thwarted. As a result, the United States Congress adopted remedial legislation to deal with these emergency problems on the basis that immediate action was needed.

Immediate action is needed in California to clarify the application of Section 24413 of the Revenue and Taxation Code to foreclosure property of real estate investment trusts in order to continue to stimulate the flow of badly needed capital in the depressed real estate market in California and to prevent the flow of existing capital out of California.

CHAPTER 651

An act to amend Section 6523 of the Health and Safety Code, relating to sanitary district regulations.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 6523 of the Health and Safety Code is amended to read:

6523. A violation of a regulation or ordinance of a district is a misdemeanor punishable by imprisonment in the county jail not to exceed 30 days, or by a fine not to exceed one thousand dollars ($1,000), or by both.

CHAPTER 652

An act to amend Sections 1345, 1351, 1356, 1375, 1376, 1382, 1383, 1384, and 1389, of, and to add Sections 1372 and 1375.1 to, and to repeal Section 1372 of, the Health and Safety Code, and to amend Section 6 of Chapter 941 of the Statutes of 1975, relating to health care service plans, and declaring the urgency thereof, to take effect immediately.

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[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 1345 of the Health and Safety Code is amended to read:

1345. As used in this chapter:

(a) "Advertisement" means any written or printed communication or any communication by means of recorded telephone messages or by radio, television, or similar communications media, published in connection with the offer or sale of plan contracts.

(b) "Basic health care services" means all of the following:

(1) Physician services, including consultation and referral.

(2) Hospital inpatient services and ambulatory care services.

(3) Diagnostic laboratory and diagnostic and therapeutic radiologic services.

(4) Home health services.

(5) Preventive health services.

(6) Emergency health care services, including ambulance services and out-of-area coverage.

(c) "Enrollee" means a person who is enrolled in a plan and who is a recipient of services from the plan.

(d) "Evidence of coverage" means any certificate, agreement, contract, brochure, or letter of entitlement issued to a subscriber or enrollee setting forth the coverage to which the subscriber or enrollee is entitled.

(e) "Group contract" means a contract which by its terms limits the eligibility of subscribers and enrollees to a specified group.

(f) "Health care service plan" means any person who undertakes to arrange for the provision of health care services to subscribers or enrollees, or to pay for or to reimburse any part of the cost for such services, in return for a prepaid or periodic charge paid by or on behalf of such subscribers or enrollees, and who does not substantially indemnify subscribers or enrollees for the cost of provided services.

(g) "Provider" means any professional person, organization, health facility, or other person or institution licensed by the state to deliver or furnish health care services.

(h) "Person" means any person, individual, firm, association, organization, partnership, business trust, foundation, labor organization, or corporation, public agency, or political subdivision of the state.

(i) "Service area" means a geographical area designated by the plan within which a plan shall provide health care services.

(j) "Solicitation" means any presentation or advertising conducted by, or on behalf of, a plan, where information regarding the plan, or services offered and charges therefor, is disseminated for the purpose of inducing persons to subscribe to, or enroll in, the plan.

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(k) "Solicitor" means any person who, for compensation paid directly or indirectly by a plan, engages in the acts defined in subdivision (j) of this section. "Solicitor" does not include a person who is an officer, director, or partner of a solicitor firm licensed under the provisions of Section 1357, and who does not receive compensation specifically related to the sale of subscriptions or enrollments to a plan, and also does not include a sole proprietor licensed as a solicitor firm.

(*l*) "Solicitor firm" means any person, other than a plan, who through one or more solicitors engages in the acts defined in subdivision (j) of this section.

(m) "Specialized health care service plan contract" means a contract for health care services in a single specialized area of health care, including dental care, for subscribers or enrollees, or which pays for or which reimburses any part of the cost for such services, in return for a prepaid or periodic charge paid by or on behalf of such subscribers or enrollees, and which does not substantially indemnify subscribers or enrollees for the cost of provided services.

(n) "Subscriber" means the person who is responsible for payment to a plan or whose employment or other status, except for family dependency, is the basis for eligibility for membership in the plan.

(o) "Subsequent provider" means the person who agrees to provide the subscriber or enrollee coverage upon failure, suspension, or revocation of the plan to which the subscriber or enrollee originally belonged.

(p) Unless the context indicates otherwise, "plan" refers to health care service plans and specialized health care service plans.

(q) "Plan contract" means a contract between a plan and its subscribers or enrollees or a person contracting on their behalf pursuant to which health care services, including basic health care services, are furnished; and unless the context otherwise indicates it includes specialized health care service plan contracts; and unless the context otherwise indicates it includes group contracts.

(r) All references in this chapter to financial statements, assets, liabilities, and other accounting items mean such financial statements and accounting items prepared or determined in accordance with generally accepted accounting principles, and fairly presenting the matters which they purport to present, subject to any specific requirement imposed by this chapter or by the commissioner.

SEC. 1.5. Section 1351 of the Health and Safety Code is amended to read:

1351. Each application for licensure as a health care service plan or specialized health care service plan under this chapter shall be verified by an authorized representative of the applicant, and shall be in a form prescribed by the department. Such application shall be accompanied by the fee prescribed by subdivision (a) of Section 1356 and shall set forth or be accompanied by each and all of the following:

(a) The basic organizational documents of the applicant; such as, the articles of incorporation, articles of association, partnership agreement, trust agreement, or other applicable documents and all amendments thereto.

(b) A copy of the bylaws, rules and regulations, or similar documents regulating the conduct of the internal affairs of the applicant.

(c) A list of the names, addresses, and official positions of the persons who are to be responsible for the conduct of the affairs of the applicant, which shall include among others, all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the principal officers, each shareholder with over 5-percent interest in the case of a corporation, and all partners or members in the case of a partnership or association, and each person who has loaned funds to the applicant for the operation of its business.

(d) A copy of any contract made, or to be made, between the applicant and any provider of health care services, or persons listed in subdivision (c), or any other person or organization agreeing to perform an administrative function or service for the plan. The commissioner by rule may identify contracts excluded from this requirement and make provision for the submission of form contracts. The payment rendered or to be rendered to such provider of health care services shall be deemed confidential information that shall not be divulged by the commissioner, except that such payment may be disclosed and become a public record in any legislative, administrative, or judicial proceeding or inquiry. The plan shall also submit the name and address of each physician employed by or contracting with the plan, together with his or her license number.

(e) A statement describing the plan, its method of providing for health care services and its physical facilities. If applicable, this statement shall include the health care delivery capabilities of the plan including the number of full-time and part-time primary physicians, the number of full-time and part-time and specialities of all nonprimary physicians; the numbers and types of licensed or state-certified health care support staff, the number of hospital beds contracted for, and the arrangements and the methods by which health care services will be provided. For purposes of this subdivision, primary physicians include general and family practitioners, internists, pediatricians, obstetricians, and gynecologists.

(f) A copy of the forms of evidence of coverage and of the disclosure forms or material which are to be issued to subscribers or enrollees of the plan.

(g) A copy of the form of the individual contract which is to be issued to individual subscribers and the form of group contract which is to be issued to any employers, unions, trustees, or other organizations.

(h) Financial statements accompanied by a report, certificate, or

opinion of an independent certified public accountant.

(i) A description of the proposed method of marketing the plan and a copy of any contract made with any person to solicit on behalf of the plan or a copy of the form of agreement used and a list of the contracting parties.

(j) A power of attorney duly executed by any applicant, not domiciled in this state, appointing the commissioner the true and lawful attorney in fact of such applicant in this state for the purposes of service of all lawful process in any legal action or proceeding against the plan on a cause of action arising in this state.

(k) A statement describing the service area or areas to be served, including the service location for each provider rendering professional services on behalf of the plan and the location of any other plan facilities where required by the commissioner.

(*l*) A description of enrollee-subscriber grievance procedures to be utilized as required by this chapter, and a copy of the form specified by subdivision (c) of Section 1368.

(m) A description of the procedures and programs for internal review of the quality of health care pursuant to the requirements set forth in this chapter.

(n) A description of the mechanism by which enrollees and subscribers will be afforded an opportunity to express their views on matters relating to the policy and operation of the plan.

(o) The agreement with an insurer, a health facility or medical service corporation, or a licensed health care service plan or specialized health care service plan, or a governmental organization to provide the payment of the cost of the originally contracted health care services or to provide the originally contracted health care services in the event of failure, suspension, or revocation of the plan or a showing that the plan meets the requirements of subdivision (d) of Section 1375.

(p) Evidence of adequate insurance coverage or self-insurance to respond to claims for damages arising out of the furnishing of health care services.

(q) Evidence of adequate insurance coverage or self-insurance to protect against losses of facilities where required by the commissioner.

(r) If required by the commissioner by rule pursuant to Section 1376, a fidelity bond or a surety bond in the amount prescribed.

(s) Evidence of adequate workmen's compensation insurance coverage to protect against claims arising out of work-related injuries that might be brought by the employees and staff of a plan against the plan.

(t) Such other information as the commissioner may reasonably require.

SEC. 2. Section 1356 of the Health and Safety Code is amended to read:

1356. (a) Each plan applying for licensure under this chapter shall pay to the commissioner a nonrefundable application fee in the

amount of two thousand five hundred dollars ($2,500) at the time of submission of the application.

(b) In addition to other fees and reimbursements required to be paid under this chapter, each licensed plan shall pay to the commissioner on or before the 15th day of December of each year, as a reimbursement of its share of all costs and expenses reasonably incurred in the administration of this chapter and not otherwise recovered by the commissioner, including overhead, an amount as estimated by the commissioner for the ensuing year and for any deficit for prior years. The amount paid by each plan shall be five hundred dollars ($500) plus an amount up to but not exceeding eighteen cents ($0.18) for each family unit enrolled in its plan in this state as of the preceding June 30th and shall be fixed by the commissioner by notice to all licensed plans on or before November 15th of each year. In determining the amount assessed, the commissioner shall consider all fees and other reimbursements provided for in this chapter and, insofar as practicable, balance total revenues and reimbursements with total expenditures under this chapter. For the purpose of this section, a family unit is a household composed of one or more individuals.

SEC. 3. Section 1372 of the Health and Safety Code is repealed.

SEC. 3.1. Section 1372 is added to the Health and Safety Code, to read:

1372. Subject to the applicable provisions of this chapter, a plan may offer one or more plan contracts or specialized health care service plan contracts, except that a specialized health care service plan contract shall not offer one or more basic health care services except as may be permitted by rule or order of the commissioner. Advertising, disclosure forms, contract forms, and evidences of coverage for more than one type of plan contract or specialized health care service plan contract, or both, may not be used except as authorized by the commissioner pursuant to this chapter.

SEC. 3.2. Section 1375 of the Health and Safety Code is amended to read:

1375. (a) Except as provided in subdivision (d) or (e), every plan shall maintain an agreement, held unobjectionable by the commissioner, with an unrelated subsequent provider who may be an insurer, a health facility or medical service corporation, another licensed plan, or a governmental organization to provide the payment of the cost of the originally contracted health care service or to provide the originally contracted health care service in the event the plan ceases to do business, because of business failure, suspension of or revocation of its license, or any other reason. For purposes of this section, "unrelated subsequent provider" means a person who is not, directly or indirectly, controlled by, under common control with, or in control of the plan or of any officer, director, employee, or person providing financial support of the plan. Upon a finding by the commissioner that the purposes of this chapter and the public interest are fully served, the commissioner may waive

the requirement that the subsequent provider shall be an unrelated entity.

(b) In the event of failure, suspension or revocation of a plan, the subsequent provider shall, at least 15 days prior to cessation of operation, notify in writing, all subscribers and enrollees as to such cessation and as to the manner in which health care services will be paid for or provided to them after the cessation date by the subsequent provider.

(c) The requirement of a subsequent provider of health care services to subscribers and enrollees in the event of a discontinuance of services may be satisfied by an agreement between two or more plans licensed under this chapter. Such agreement shall be expressly approved by the commissioner, if the commissioner finds that:

(1) Each plan has the financial resources to meet such an obligation.

(2) Each plan has facilities sufficiently close to the service area of the other to minimize inconvenience to subscribers and enrollees of the nonfunctioning plan.

(3) Each plan has the personnel available, or can obtain the personnel, to provide adequate services to the subscribers and enrollees of the nonfunctioning plan.

(d) After five continuous years of active operation, a plan may apply to the commissioner for an exemption from the requirements of subdivision (a). Any plan certified under Article 2.5 (commencing with Section 12530) of Chapter 6 of Part 2 of Division 3 of the Government Code prior to its repeal shall be able to count its years of continuous operation under Article 2.5 toward the exemption requirements of this subdivision. The commissioner shall grant such an exemption if the commissioner finds upon application that:

(1) In the case of a plan certified under Article 2.5 (commencing with Section 12530) of Chapter 6 of Part 2 of Division 3 of the Government Code prior to its repeal, the plan has continuously maintained for the preceding 12-month period a tangible net equity of not less than seven hundred fifty thousand dollars ($750,000). The commissioner may waive the provisions of this paragraph if the commissioner finds such action to be in the public interest.

(2) The plan has not been found to be significantly in violation of the fiscal requirements of this chapter in the preceding two years.

(3) The commissioner specifically finds that the operation of the plan is such that the subscribers and enrollees are protected from the likelihood of the plan's failure.

(e) A plan which meets the requirements of Section 1375.1 may apply to the commissioner for an exemption from the requirement of subdivision (a).

(f) If after having been granted the exemption contained in subdivision (d) or (e), the plan fails to meet the requirements of the exemption, the provisions of subdivision (a) shall be reapplied by the commissioner following a hearing.

(g) Upon denial of the application, the commissioner shall notify

the applicant in writing, stating the reasons for the denial and that the applicant has the right to a hearing if the applicant makes a written request within 30 days after the date of the mailing of the notice of denial.

SEC. 3.3. Section 1375.1 is added to the Health and Safety Code, to read:

1375.1. (a) Every plan shall demonstrate to the commissioner that it has:

(1) A fiscally sound operation and adequate provision against the risk of insolvency; and

(2) Assumed full financial risk on a prospective basis for the provision of covered health care services, except that a plan may obtain insurance or make other arrangements for the cost of providing to any subscriber or enrollee covered health care services, the aggregate value of which exceeds five thousand dollars ($5,000) in any year, for the cost of covered health care services provided to its members other than through the plan because medical necessity required their provision before they could be secured through the plan, and for not more than 90 percent of the amount by which its costs for any of its fiscal years exceed 115 percent of its income for such fiscal year.

(b) In determining whether the conditions of this section have been met, the commissioner shall consider, but not be limited to, the following:

(1) The financial soundness of the plan's arrangements for health care services and the schedule of rates and charges used by the plan.

(2) The adequacy of working capital.

(3) Agreements with providers for the provision of health care services.

(c) For the purposes of this section, "covered health care services" means health care services provided under all plan contracts.

SEC. 4. Section 1376 of the Health and Safety Code is amended to read:

1376. (a) No plan or solicitor firm shall conduct any activity regulated by this chapter in contravention of such rules and regulations as the commissioner may prescribe as necessary or appropriate in the public interest or for the protection of plans, subscribers, and enrollees to provide safeguards with respect to the financial responsibility of plans and solicitor firms. Such rules and regulations may require a minimum capital or net worth, limitations on indebtedness, procedures for the handling of funds or assets, including segregation of funds, assets and net worth, the maintenance of appropriate insurance and a fidelity bond, and the maintenance of a surety bond in an amount not exceeding ten thousand dollars ($10,000).

(b) The surety bond referred to in subdivision (a) shall be conditioned upon compliance by the licensee with the provisions of this chapter and the rules and regulations adopted pursuant to this

chapter and orders issued under this chapter. Such bond, unless previously canceled, shall apply to the entire period that the license is in effect. Every surety bond shall provide that no suit may be maintained to enforce any liability thereon unless brought within two years after the act upon which such suit is based, and shall also provide that the liability of the surety on such bond to all persons aggrieved shall, in no event, exceed in the aggregate the amount thereof. Every such bond shall also contain a provision authorizing the surety thereon to cancel the bond upon 30 days' written notice to the licensee and to the commissioner; except that such cancellation shall not affect any liability incurred or accrued prior to the effective date of such cancellation.

(c) Any appropriate deposits of cash or securities shall be accepted in lieu of the surety bond required pursuant to subdivision (a).

SEC. 5. Section 1382 of the Health and Safety Code is amended to read:

1382. (a) The commissioner shall conduct an examination of the fiscal and administrative affairs of any plan, and each person with whom the plan has made arrangements with for administrative, management, or financial services, as often as deemed necessary to protect the interest of subscribers or enrollees, but not less frequently than once every five years.

(b) The expense of conducting an examination pursuant to this section, and of the medical survey pursuant to Section 1380 shall be charged against the plan being examined or surveyed. The amount shall include the actual salaries or compensation paid to the persons making such examination or survey, the expenses incurred in the course thereof, and overhead costs in connection therewith as fixed by the commissioner. The amount charged shall be remitted by the plan to the commissioner.

SEC. 6. Section 1383 of the Health and Safety Code is amended to read:

1383. Every plan licensed pursuant to this chapter shall file an annual report with the department. Such report shall be filed on or before the 15th day of September of each year and shall be for the preceding fiscal year ending the 30th day of June. Except as otherwise provided herein, the information required in the annual report shall be provided upon request to the plan's enrollees and subscribers, and interested members of the public.

(a) The annual report shall be verified by a person responsible for conduct of the affairs of the licensee within the meaning of Section 1351.

(b) The report shall be made in a form prescribed by the commissioner and shall include the following:

(1) Financial statements as of June 30th of the year in which the report is made. All such financial statements shall be prepared on an accrual basis.

(2) The statistical report required by the commissioner pursuant

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to Section 1371.

(3) Such other information relating to the performance or organization of the plan as the commissioner deems necessary to carry out the provisions of this chapter. The commissioner may provide that specified information furnished pursuant to this paragraph be withheld from public inspection for an appropriate period, if the commissioner finds that such action is necessary for the protection of plans and in the public interest; but nothing in this paragraph shall preclude the commissioner from making such information public when in the commissioner's opinion the public interest so requires.

(c) For purposes of this section, a plan may provide the information required in the annual report to its subscribers and enrollees by publication in any annual mailing designed to reach individual subscribers and enrollees at their regular mailing address.

SEC. 7. Section 1384 of the Health and Safety Code is amended to read:

1384. (a) Within 90 days after receipt of a request from the commissioner, a plan or other person subject to this chapter shall submit to the commissioner an audit report containing audited financial statements covering the 12 calendar months next preceding the month of receipt of the request, or such other period as the commissioner may require. Unless the public interest shall otherwise require, the commissioner shall exempt a licensee from the provisions of Section 1383, in whole or in part, if such licensee has complied with a request pursuant to this subdivision for financial statements as of a date within the calendar or fiscal year for which such exemption is granted.

(b) A plan whose license has been surrendered or revoked shall submit to the commissioner on or before 105 days after the effective date of such surrender or revocation, a closing audit report containing audited financial statements as of such effective date for the 12 months ending with such effective date, or for such other period as the commissioner may specify. Such report shall include the information requested by Section 1383 and other relevant information specified by the commissioner. A licensee who has complied with this subdivision is exempted from Section 1383.

(c) Each plan shall submit financial statements prepared as of the close of its fiscal year within 120 days after the close of such fiscal year. The financial statements referred to in this subdivision and in subdivisions (a) and (b) of this section shall be accompanied by a report, certificate, or opinion of an independent certified public accountant or independent public accountant. The audits shall be conducted in accordance with generally accepted auditing standards and the rules and regulations of the commissioner.

(d) A plan or solicitor firm shall make such special reports to the commissioner as the commissioner may from time to time require.

(e) For good cause and upon written request, the commissioner may extend the time for compliance with subdivisions (a), (b) and

(h) of this section and Section 1383.

(f) A plan or solicitor firm shall, when requested by the commissioner, for good cause, submit its unaudited financial statement, prepared in accordance with generally accepted accounting principles and consisting of at least a balance sheet and statement of income as of the date and for the period specified by the commissioner. The commissioner may require the submission of such reports on a monthly or other periodic basis.

(g) If the report, certificate, or opinion of the independent accountant referred to in subdivision (c) is in any way qualified, the commissioner may require the plan to take such action as the commissioner deems appropriate to permit an independent accountant to remove such qualification from the report, certificate, or opinion.

(h) The commissioner may reject any financial statement, report, certificate, or opinion filed pursuant to this section by notifying the plan or solicitor firm required to make such filing of its rejection and the cause thereof. Within 30 days after the receipt of such notice, the licensee shall correct such deficiency, and the failure so to do shall be deemed a violation of this chapter. The commissioner shall retain a copy of all filings so rejected.

(i) The commissioner may make rules and regulations specifying the form and content of the reports and financial statements referred to in this section, and may require that such reports and financial statements be verified by the licensee in such manner as the commissioner may prescribe.

SEC. 8. Section 1389 of the Health and Safety Code is amended to read:

1389. (a) A person whose license has been revoked, or suspended for more than one year, may petition the commissioner to reinstate the license as provided by Section 11522 of the Government Code. No petition may be considered if the petitioner is under criminal sentence for a violation of this chapter, or any offense which would constitute grounds for discipline, or denial of licensure under this chapter, including any period of probation or parole.

(b) The petition for restoration shall be in the form of an application for the appropriate license and the commissioner may condition the granting of such petition upon payment of the fees for the current year prescribed by Section 1356 or 1357, as may be appropriate, and if such fees have not been paid, upon the filing of the report required by Section 1383 if the petitioner is a plan.

(c) If a license issued under this chapter is suspended, the holder thereof shall not be entitled to operate during the term of suspension.

SEC. 9. Section 6 of Chapter 941 of the Statutes of 1975 is amended to read:

Sec. 6. All actions commenced by the Attorney General prior to July 1, 1976, under the provisions of the Knox-Mills Health Plan Act

shall be continued to final judgment by the Attorney General.

SEC. 10. This act shall become operative July 1, 1976.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The amendment to Section 1356 of the Government Code changes the date for payment of the annual assessment by plans licensed under the Knox-Keene Health Care Service Plan Act of 1975 from June 30th to December 15th of each year. This amendment will enable the Commissioner of Corporations to provide for the support of the Knox-Keene Health Care Service Plan Act of 1975 during the 1977 calendar year. It is, therefore, necessary that this act take immediate effect.

CHAPTER 653

An act to amend Section 232 of the Civil Code, relating to parental custody and control.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 232 of the Civil Code is amended to read:

232. (a) An action may be brought for the purpose of having any person under the age of 18 years declared free from the custody and control of either or both of his parents when such person comes within any of the following descriptions:

(1) Who has been left without provision for his identification by his parent or parents or by others or has been left by both of his parents or his sole parent in the care and custody of another for a period of six months or by one parent in the care and custody of the other parent for a period of one year without any provision for his support, or without communication from such parent or parents, with the intent on the part of such parent or parents to abandon such person. Such failure to provide identification, failure to provide, or failure to communicate shall be presumptive evidence of the intent to abandon. Such person shall be deemed and called a person abandoned by the parent or parents abandoning him. If in the opinion of the court the evidence indicates that such parent or parents have made only token efforts to support or communicate with the child, the court may declare the child abandoned by such parent or parents. In those cases in which the child has been left without provision for his identification and the whereabouts of the parents are unknown, a petition may be filed after the 120th day following the discovery of the child and citation by publication may

be commenced. The petition may not be heard until after the 180th day following the discovery of the child.

The fact that a child is in a foster care home, licensed under subdivision (a) of Section 16000 of the Welfare and Institutions Code, shall not prevent a licensed adoption agency which is planning adoption placement for the child, from instituting, under this subdivision, an action to declare such child free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel and if there is no county counsel, the district attorney shall institute such action.

(2) Who has been cruelly treated or neglected by either or both of his parents, if such person has been a dependent child of the juvenile court, and such parent or parents deprived of his custody for the period of one year prior to the filing of a petition praying that he be declared free from the custody and control of such cruel or neglectful parent or parents.

(3) Whose parent or parents suffer a disability because of the habitual use of alcohol, or any of the controlled substances specified in Schedules I to V, inclusive, of Division 10 (commencing with Section 11000) of the Health and Safety Code, except when such controlled substances are used as part of a medically prescribed plan, or are morally depraved, if such person has been a dependent child of the juvenile court, and the parent or parents deprived of his custody because of such disability, or moral depravity, for the period of one year continuously immediately prior to the filing of the petition praying that he be declared free from the custody and control of such parent or parents. As used in this subdivision, "disability" means any physical or mental incapacity which renders the parent or parents unable to adequately care for and control the child.

(4) Whose parent or parents are convicted of a felony, if the felony of which such parent or parents were convicted is of such nature as to prove the unfitness of such parent or parents to have the future custody and control of the child, or if any term of sentence of such parent or parents is of such length that the child will be deprived of a normal home for a period of years.

(5) Whose parent or parents have been declared by a court of competent jurisdiction wherever situated to be mentally deficient or mentally ill, if, in the state or country in which the parent or parents are hospitalized or resident, the State Director of Health, or his equivalent, if any, and the superintendent of the hospital of which, if any, such parent or parents are inmates or patients certify that such parent or parents so declared to be mentally deficient or mentally ill will not be capable of supporting or controlling the child in a proper manner.

(6) Whose parent or parents are, and will remain incapable of supporting or controlling the child in a proper manner because of mental deficiency or mental illness, if there is testimony to this effect from two physicians and surgeons each of which must have been

certified either by the American Board of Psychiatry and Neurology or under Section 6750 of the Welfare and Institutions Code. If, however, the parent or parents reside in another state or in a foreign country, the testimony herein may be supplied by two physicians and surgeons who are residents of such state or foreign country, if such physicians and surgeons have been certified by a medical organization or society of that state or foreign country to practice psychiatric or neurological medicine and if the court determines that the certification requirements of such organization or society are comparable to those of the American Board of Psychiatry and Neurology.

The parent or parents shall be cited to be present at the hearing, and if he or they have no attorney, the court shall appoint an attorney or attorneys to represent the parent or parents and fix the compensation to be paid by the county for such services, if he determines the parent or parents are not financially able to employ counsel.

(7) Who has been cared for in one or more foster homes under the supervision of the juvenile court, the county welfare department or other public or private licensed child-placing agency for two or more consecutive years, providing that the court finds by clear and convincing evidence that return of the child to his parent or parents would be detrimental to the child and that the parent or parents have failed during such period, and are likely to fail in the future, to

(i) Provide a home for said child;

(ii) Provide care and control for the child;

(iii) Maintain an adequate parental relationship with the child; and

(iv) Maintain continuous contact with the child, unless unable to do so.

Physical custody of the child by the parent or parents for insubstantial periods of time during the required two-year period will not serve to interrupt the running of such period.

(b) A licensed adoption agency may institute under this section, an action to declare a child, as described in this section, free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel, or if there is no county counsel, the district attorney shall in a proper case institute such action.

CHAPTER 654

An act to amend Section 739 of the Welfare and Institutions Code, relating to children.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 739 of the Welfare and Institutions Code is amended to read:

739. (a) Whenever any person is taken into temporary custody under the provisions of Article 6 (commencing with Section 625) of this chapter and is in need of medical, surgical, dental, or other remedial care, the probation officer may, upon the recommendation of the attending physician or, if the person needs dental care and there is an attending dentist, the attending dentist, authorize the performance of such medical, surgical, dental, or other remedial care. The probation officer shall notify the parent, guardian, or person standing in loco parentis of the person, if any, of the care found to be needed before such care is provided, and if the parent, guardian, or person standing in loco parentis objects, such care shall be given only upon order of the court in the exercise of its discretion.

(b) Whenever it appears to the juvenile court that any person concerning whom a petition has been filed with the court is in need of medical, surgical, dental, or other remedial care, and that there is no parent, guardian, or person standing in loco parentis capable of authorizing or willing to authorize such remedial care or treatment for such person, the court, upon the written recommendation of a licensed physician or, if the person needs dental care, a licensed dentist, and after due notice to the parent, guardian, or person standing in loco parentis, if any, may make an order authorizing the performance of the necessary medical, surgical, dental, or other remedial care for such person.

(c) Whenever a ward or dependent child of the juvenile court is placed by order of the court within the care and custody or under the supervision of the probation officer of the county in which the ward or dependent child resides and it appears to the court that there is no parent, guardian, or person standing in loco parentis capable of authorizing or willing to authorize medical, surgical, dental, or other remedial care or treatment for the ward or dependent child, the court may, after due notice to the parent, guardian, or person standing in loco parentis, if any, order that the probation officer may authorize such medical, surgical, dental, or other remedial care for the ward or dependent child, by licensed practitioners, as may from time to time appear necessary.

(d) Whenever it appears that a minor otherwise within the provisions of subdivision (a), (b), or (c) requires immediate emergency medical, surgical, dental, or other remedial care, or whenever the probation officer cannot, with reasonable diligence, locate and notify the parent, guardian, or person standing in loco parentis of the need of the minor for such care, the court, upon the written recommendation of a licensed physician or, if the minor needs dental care, a licensed dentist may make an order authorizing, or the probation officer, upon the written recommendation of a licensed physician or, if the minor needs dental care, a licensed

dentist may authorize, the performance of such care as is reasonably necessary under the circumstances, without notice to the parent, guardian, or person standing in loco parentis.

(e) In any case in which the court orders the performance of any medical, surgical, dental, or other remedial care pursuant to this section, the court may also make an order authorizing the release of information concerning such care to probation officers, parole officers, or any other qualified individuals or agencies caring for or acting in the interest and welfare of the minor under order, commitment, or approval of the court.

(f) Nothing in this section shall be construed as limiting the right of a parent, guardian, or person standing in loco parentis, who has not been deprived of the custody or control of the minor by order of the court, in providing any medical, surgical, dental, or other remedial treatment recognized or permitted under the laws of this state.

(g) The parent of any person described in this section may authorize the performance of medical, surgical, dental, or other remedial care provided for in this section notwithstanding his or her age or marital status. In nonemergency situations the parent authorizing the care shall notify the other parent prior to the administration of such care.

(h) Whenever a peace officer takes a minor into temporary custody pursuant to subdivision (a) of Section 625 on the grounds that the minor is a person described in Section 600, the peace officer may, if the probation officer concurs verbally or in writing in the need therefor, authorize a medical examination or dental examination sufficient to certify the minor as having no significant illness or injury which may otherwise threaten his health or life or the health or life of others whom such minor may contact at the place of custody. Such examination shall normally be noninvasive and performed prior to, or in the process of, delivering the custody of such minor to the probation officer.

As used in this subdivision, "noninvasive" means diagnostic procedures which do not involve the insertion of needles, cannulas, or other devices that require penetration of the skin.

CHAPTER 655

An act to add and repeal Section 1643 to the Insurance Code, relating to insurance.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. The Legislature finds and declares that:

(1) As a result of mergers and the growth of bank holding companies, financial resources are becoming increasingly concentrated;

(2) Under rulings of the Federal Reserve Board, holding companies controlling a major share of such resources have been authorized to engage in several lines of nonbanking business activity;

(3) The question, whether Federal Reserve Board authorization for bank holding companies to enter the insurance agency business is a proper interpretation of the intent of Congress when enacting the 1970 amendments to the Bank Holding Company Act of 1956, is presently before the U.S. Court of Appeals, 5th Circuit;

(4) The Congress has before it legislation which would substantially limit or restrict such activity by bank holding companies; and

(5) The question whether bank holding company entry into the insurance agency business will bring benefits to the public that outweigh possible adverse effects is sufficiently important to California consumers as to require thorough study by the Legislature.

SEC. 2. Section 1643 is added to the Insurance Code, to read:

1643. No bank, or bank holding company, subsidiary, or affiliate thereof, or any officer or employee of a bank, bank holding company, subsidiary, or affiliate, may be licensed as an insurance agent or broker, or act as an agent or broker for insurance, in this state, or control a licensed insurance agent or broker, except that a bank or a bank holding company subsidiary, or affiliate of a bank, may be issued a license to act as a life and disability agent limited to the transaction of credit life and disability insurance, and a commercial bank may be licensed to sell insurance or act as an insurance broker as provided in Section 1208 of the Financial Code. The commissioner shall, after notice and hearing, revoke the license of any insurance agent or broker controlled by a bank, or bank holding company, subsidiary, or affiliate thereof, or any officer or employee of a bank, bank holding company, subsidiary, or affiliate. This section shall not apply to any bank or bank holding company which, under the authorization of the Federal Reserve Board, had prior to January 1, 1976, a subsidiary or affiliate licensed to sell insurance (except that subsequent authorization to expand such activities shall be subject to this section), or to any bank holding company owning a state-chartered bank which had, prior to January 1, 1976, a subsidiary or affiliate licensed to sell insurance. This section shall not apply to any person authorized or licensed to make loans pursuant to either Division 7 (commencing with Section 18000) or Division 9 (commencing with Section 22000) of the Financial Code.

For the purposes of this section, the following definitions shall apply:

(a) "Bank" means any institution in this state defined in Section 102 of the Financial Code except that such term does not include a

title insurance company authorized to transact a trust business under the provisions of Article 4 (commencing with Section 12390) of Chapter 1, Part 6, of Division 2 or a trust company controlled by or under common control with a title insurance company.

(b) "Bank holding company" means the same as the definition of that term set forth in Section 2 of the Federal "Bank Holding Company Act of 1956," as amended, but limited to holding companies which control a bank authorized to accept deposits in this state.

(c) "Subsidiary" means any corporation, association, or partnership, owned in whole or part by a bank or bank holding company.

(d) "Affiliate" means any corporation, association, or partnership connected through the ownership of a 10-percent or greater interest by a common parent.

(e) "Credit life, health, and accident insurance" means insurance on the life and health of a borrower from a bank issued to secure the repayment of the amount borrowed.

(f) "Control" means the possession, by any means, of the power to direct or cause the direction of the management or activities of a licensed insurance agent or broker.

This act shall remain in effect only until December 31, 1979, and as of such date is repealed, unless a later enacted statute, which is chaptered before December 31, 1979, deletes or extends such date.

SEC. 3. It is the intent of the Legislature that, in the event the Federal Reserve Board approves an application of a bank holding company controlling a bank in California to sell property and casualty insurance, the Department of Insurance shall hold a public hearing to determine the effect licensing of such entity would have on California consumers in the areas of availability, cost, and servicing of such insurance; and that the Department of Insurance shall evaluate for the Legislature the testimony of interested parties, including but not limited to, banks, insurance agents, and consumer organizations.

SEC. 4. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

CHAPTER 656

An act relating to county budgets, and declaring the urgency thereof to take effect immediately.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976]

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

SECTION 1. Notwithstanding any other provisions of Chapter 1 (commencing with Section 29000) of Division 3 of Title 3 of the Government Code, the board of supervisors of a county of over 6,000,000 population may on or before September 15, 1976, amend its 1976–77 budget resolution for the purpose of reducing appropriations contained therein; provided, however, that any such local agency shall comply with the provisions of Section 54956 of the Government Code prior to the reopening of the budget deliberations.

SEC. 2. Notwithstanding the fact that a legal opinion has been rendered by the Los Angeles County Counsel's office to the effect that the Board of Supervisors of the County of Los Angeles does not presently have the authority conferred upon it by this act, this act shall not be construed so as to prejudice the existing authority of other counties to take such actions as are authorized by this act for the County of Los Angeles.

SEC. 3. It is the intent of the Legislature in enacting this statute to allow the board of supervisors of a county with over 6,000,000 population to reopen its 1976–77 budget.

SEC. 4. Notwithstanding the provisions of Sections 29100 and 29100.1 of the Government Code or any other provisions of law, for a county with a population of over 6,000,000, property tax rates for all local agencies, as defined in Section 2211 of the Revenue and Taxation Code, shall be fixed for the 1976–77 fiscal year on or before September 15, 1976.

SEC. 5. This act is an urgency statute necessary for immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that local agency budget expenditures reflect the actual current fiscal position of Los Angeles County, it is necessary that this act take immediate effect.

CHAPTER 657

An act to amend Section 10242 of the Business and Professions Code, relating to real estate loans.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 10242 of the Business and Professions Code is amended to read:

10242. The maximum amount of expenses, charges and interest to be paid by a borrower with respect to any loan subject to the

provisions of this article shall be as follows:

(a) The maximum amount of all costs and expenses referred to in subdivision (a) of Section 10241 shall not exceed five percent (5%) of the principal amount of the loan or one hundred ninety-five dollars ($195) whichever is greater but in no event to exceed three hundred twenty-five dollars ($325), provided that in no event shall such maximum amount exceed actual costs and expenses paid, incurred, or reasonably earned.

(b) The maximum amount of the charges referred to in subdivision (b) of Section 10241 shall not exceed the following amounts:

(1) In the case of a loan secured directly or collaterally, in whole or in part by a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than three (3) years and ten percent (10%) where the term is a period of three (3) years or more.

(2) In the case of a loan secured directly or collaterally by a trust deed other than a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than two (2) years, ten percent (10%) where the term is a period of two (2) years but less than three (3) years, and fifteen percent (15%) where the term is a period of three (3) years or more.

(3) With respect to a further advance on a note, the charges shall not exceed the charges for an original loan in the same amount as the further advance and made for a term equal to the remaining term of the note on which the further advance is being made, including any extension thereof.

(c) No loan secured directly or collaterally by a lien on real property shall be made which provides for payment of interest in excess of ten percent (10%) per year except as provided by the Section 22 of Article XX of the California Constitution adopted November 6, 1934, and as implemented by the Statutes of 1919, page LXXXIII, known as the "Usury Law" (an initiative measure approved by electors on November 5, 1918).

(d) No interest may be charged with respect to any period prior to the date that the proceeds of the loan are made available to the borrower or are deposited in escrow.

SEC. 2. Section 10242 of the Business and Professions Code is amended to read:

10242. The maximum amount of expenses, charges and interest to be paid by a borrower with respect to any loan subject to the provisions of this article shall be as follows:

(a) The maximum amount of all costs and expenses referred to in subdivision (a) of Section 10241 shall not exceed five percent (5%) of the principal amount of the loan or one hundred ninety-five dollars ($195), whichever is greater but in no event to exceed three hundred twenty-five dollars ($325), provided that in no event shall said maximum amount exceed actual costs and expenses paid, incurred or reasonably earned.

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(b) The maximum amount of the charges referred to in subdivision (b) of Section 10241 shall not exceed the following amounts:

(1) In the case of a loan secured directly or collaterally, in whole or in part by a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than three (3) years and ten percent (10%)' where the term is a period of three (3) years or more.

(2) In the case of a loan secured directly or collaterally by a trust deed other than a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than two (2) years, ten percent (10%) where the term is a period of two (2) years but less than three (3) years, and fifteen percent (15%) where the term is a period of three (3) years or more.

(3) With respect to a further advance on a note, the charges shall not exceed the charges for an original loan in the same amount as the further advance and made for a term equal to the remaining term of the note on which the further advance is being made, including any extension thereof.

(c) No loan secured directly or collaterally by a lien on real property shall be made which provides for payment of interest in excess of that permitted by Section 1 of Article XV of the California Constitution adopted June 8, 1976, as amended, and as implemented by the Statutes of 1919, page LXXXIII, known as the "Usury Law" (an initiative measure approved by electors on November 5, 1918).

(d) No interest may be charged with respect to any period prior to the date that the proceeds of the loan are made available to the borrower or are deposited in escrow.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

SEC. 4. It is the intent of the Legislature, if this bill and Senate Bill No. 2144 are both chaptered and amend Section 10242 of the Business and Professions Code, and this bill is chaptered after Senate Bill No. 2144, that the amendments to Section 10242 proposed by both bills be given effect and incorporated in Section 10242 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Senate Bill No. 2144 are both chaptered, both amend Section 10242, and Senate Bill No. 2144 is chaptered before this bill, in which case Section 1 of this act shall not become operative.

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CHAPTER 658

An act to amend Sections 16141, 16142, 16146, and 16153 of, to add Section 16142.5 to, and to repeal Section 16152 of, the Government Code, relating to open-space lands, making an appropriation therefor.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 16141 of the Government Code is amended to read:

16141. It is the purpose of this chapter to provide replacement revenues to local government by reason of the reduction of the property tax on open-space lands assessed under Sections 423 and 423.5 of the Revenue and Taxation Code. Notwithstanding any other provisions of this chapter, no subvention payments to a county, city, city and county, or school district shall be made pursuant to this chapter for land enforceably restricted pursuant to the Open-Space Easement Act of 1974 (Chapter 6.6 (commencing with Section 51070) of Part 1 of Division 1 of Title 5).

SEC. 2. Section 16142 of the Government Code is amended to read:

16142. The Secretary of the Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423 or 423.5 of the Revenue and Taxation Code:

(a) Eight dollars ($8) for prime agricultural land as defined in Section 51201 of this code which is within, or within three miles of the boundaries of, each incorporated city with a population of 25,000 or more as annually determined by the Department of Finance.

(b) Five dollars ($5) for prime agricultural land, as defined in Section 51201 of this code which is:

(1) Within each incorporated city with a population of 15,000 or more and less than 25,000 as annually determined by the Department of Finance; or

(2) Within three miles of the boundaries of an incorporated city with a population of 15,000 or more, as annually determined by the Department of Finance, in any county not qualifying for a payment as provided for in (a) above. If more than one city with a population of 15,000 or more and less than 25,000 lies within a county, the county shall determine the city which is to be used in calculating the payment.

(c) One dollar ($1) for all other prime agricultural land.

(d) Forty cents ($0.40) for all land, other than prime agricultural

land, which is devoted to open-space uses of statewide significance defined in Section 16143.

The amount per acre in subdivision (a) may be increased by the Secretary of the Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

SEC. 3. Section 16142.5 is added to the Government Code, to read:

16142.5. (a) For the fiscal year 1977–78, no payment to a city or county shall increase or reduce the amount which would have been paid to the city or county under the provisions of Section 16142 as it existed on March 1, 1976, as applied to land assessed pursuant to Section 423 or 423.5 of the Revenue and Taxation Code for the fiscal year 1977–78, in excess of an amount which is equal to the property tax derived from a levy at the rate of three cents ($0.03) per hundred dollars of assessed value.

(b) For fiscal years subsequent to the fiscal year 1977–78, no payment to a city or county shall increase or reduce the amount which was paid in the prior fiscal year in excess of an amount which is equal to the property tax derived from a levy at the rate of three cents ($0.03) per hundred dollars of assessed value for such fiscal year, except as affected by an increase or a reduction in the acreage assessed under the provisions of Section 423 or 423.5 of the Revenue and Taxation Code.

SEC. 4. Section 16146 of the Government Code is amended to read:

16146. The Secretary of the Resources Agency may determine, after notice and hearing, that a local government is ineligible to receive state payments pursuant to this article by reason of its failure to comply with the provision of Article 10.5 (commencing with Section 65560) of Chapter 3 of Title 7 of this code, or with the provisions of any program which establishes an enforceable restriction upon which the assessment of land within its jurisdiction pursuant to Section 423 or 423.5 of the Revenue and Taxation Code is based. The fact that a local government has not complied with the requirements of Article 10.5 (commencing with Section 65560) of Chapter 3 of Title 7 by the dates set forth in that article shall not be reason to determine that the local government is ineligible to receive state payments if the local government has complied by July 1 of the year in which application is made. This section shall not be construed to require the disqualification of any land from assessment pursuant to Section 423 or 423.5 of the Revenue and Taxation Code as a consequence of any determination of ineligibility by the secretary.

SEC. 5. Section 16152 of the Government Code is repealed.

SEC. 6. Section 16153 of the Government Code is amended to read:

16153. Notwithstanding any other provision of this chapter, state disbursements under this chapter by reason of property assessed pursuant to Sections 423 and 423.5 of the Revenue and Taxation Code

shall not exceed thirteen million dollars ($13,000,000) in the 1972–1973 fiscal year, twenty-two million dollars ($22,000,000) in the 1973–1974 fiscal year, and twenty-four million dollars ($24,000,000) in the 1974–1975 fiscal year. In the 1975–1976 fiscal year, state disbursements shall not exceed 115 percent of the state disbursements in the 1974–1975 fiscal year. The amounts provided for in this section may be exceeded by any amounts deposited in the State General Fund under Sections 51061 and 51283.

If claims by local governmental agencies exceed the limitation of this section, reductions in state disbursements shall be made on a pro rata per-acre basis, first on funds to local governments for nonprime lands described in subdivision (d) of Section 16142 and prime lands described in subdivision (c) of Section 16142, second on funds to local governments for prime lands described in subdivision (a) and subdivision (b) of Section 16142, and third to school district disbursements.

SEC. 7. The intent of the Legislature is to reallocate the open-space subventions to give greater priority to lands which are threatened with development or urbanization. It is also the intent of the Legislature that the provisions of this bill apply only until a revised system is developed by the state to more clearly express its interest in the preservation of certain categories of land.

CHAPTER 659

An act to amend Section 14153 of, and to add Section 14019.3 to, the Welfare and Institutions Code, relating to Medi-Cal and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 14019.3 is added to the Welfare and Institutions Code, to read:

14019.3. A beneficiary or any person on behalf of the beneficiary who has paid for health care services otherwise covered by the Medi-Cal program received by the beneficiary shall be entitled to a return from the provider of any part of such payment which:

(1) Was rendered during any period prior to the receipt of his Medi-Cal card, for which such card authorizes payment under Section 14018 or 14019;

(2) Was reimbursed to the provider by the Medi-Cal program, following all audits and appeals to which the provider is entitled;

(3) Is not payable by a third party under contractual or other legal entitlement; and

(4) Was not used to satisfy his paid or obligated liability for health

care services or to establish eligibility.

Upon presentation of the Medi-Cal card or other proof of eligibility, the provider shall submit a Medi-Cal claim for reimbursement, subject to the rules and regulations of the Medi-Cal program. Payment received from the state in accordance with Medi-Cal fee structures shall constitute payment in full. The provider shall return any and all payments made by the beneficiary, or any person on behalf of the beneficiary, for Medi-Cal program covered services upon receipt of Medi-Cal payment.

SEC. 2. Section 14153 of the Welfare and Institutions Code is amended to read:

14153. Funds shall be advanced monthly to the respective counties for costs of administration of the Medi-Cal program in the manner prescribed in Chapter 9 (commencing with Section 15000) of this part.

Funds may be advanced monthly to the respective counties for the costs of care under the provisions of this chapter upon the order of the Director of Finance and the Director of Health utilizing resources made available through the Health Care Deposit Fund.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that Medi-Cal payments to which the counties are entitled may be paid at the earliest possible time and result in maintaining existing health services while reducing the property tax rate it is necessary that this act take immediate effect.

CHAPTER 660

An act to amend Sections 66423, 66449, 66469, and 66495 of, and to add Section 66424.5 to, the Government Code, relating to the Subdivision Map Act.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 66423 of the Government Code is amended to read:

66423. "Subdivider" means a person, firm, corporation, partnership or association who proposes to divide, divides or causes to be divided real property into a subdivision for himself or for others except that employees and consultants of such persons or entities, acting in such capacity, are not "subdividers."

SEC. 2. Section 66424.5 is added to the Government Code, to read:

66424.5. "Tentative map" refers to a map made for the purpose of showing the design and improvement of a proposed subdivision and the existing conditions in and around it and need not be based upon an accurate or detailed final survey of the property.

SEC. 3. Section 66449 of the Government Code is amended to read:

66449. The following certificates shall appear on a parcel map:

(a) Engineer's (surveyor's) certificate:

This map was prepared by me or under my direction (and was compiled from record data) (and is based upon a field survey) in conformance with the requirements of the Subdivision Map Act at the request of (name of person authorizing map) on (date). I hereby state that the parcel map procedures of the local agency have been complied with and that this parcel map conforms to the approved tentative map and the conditions of approval thereof which were required to be fulfilled prior to the filing of the parcel map.

(Signed) _____

R.C.E. (or L.S) No. _____

(b) Recorder's certificate.

Filed this _____ day of _____, 19__, at __m. in Book _____ of _____, at page _____, at the request of _____.

Signed _____

County Recorder

SEC. 4. Section 66469 of the Government Code is amended to read:

66469. After a final map or parcel map is filed in the office of the county recorder, it may be amended by a certificate of correction or an amending map:

(a) To correct an error in any course or distance shown thereon;

(b) To show any course or distance that was omitted therefrom;

(c) To correct an error in the description of the real property shown on the map;

(d) To indicate monuments set after the death, disability or retirement from practice of the engineer or surveyor charged with responsibilities for setting monuments; or

(e) To show the proper location or character of any monument which has been changed in location or character or originally was shown at the wrong location or incorrectly as to its character.

SEC. 5. Section 66495 of the Government Code is amended to read:

66495. At the time of making the survey for the final map, the engineer or surveyor shall set sufficient durable monuments to conform with the standards described in Section 8771 of the Business and Professions Code so that another engineer or surveyor may readily retrace the survey. He shall also set such additional

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monuments as may be required by local ordinance. The local agency shall require that at least one exterior boundary line of the land being subdivided be adequately monumented or referenced before the map is recorded.

CHAPTER 661

An act to amend Section 13966 of the Government Code, relating to the State Board of Control.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 13966 of the Government Code is amended to read:

13966. The State of California shall be subrogated to the rights of the victim to whom cash payments are granted to the extent of the cash payments granted, less the amount of any fine imposed by the court on the perpetrator of the crime. Such subrogation rights shall be against the perpetrator of the crime or any person liable for the pecuniary loss.

The state also shall be entitled to a lien in the amount of such cash payments on any recovery made by or on behalf of the victim. The state may recover this amount in a separate action, or may intervene in an action brought by or on behalf of the victim. The state shall pay 25 percent of the amount of any recovery which is subject to a lien to the county probation department or the victim responsible for recovery thereof from the perpetrator of the crime. The remaining 75 percent of the amount shall be deposited in the Indemnity Fund.

CHAPTER 662

An act to amend Sections 987.56, 987.61, 987.65, and 987.90 of the Military and Veterans Code, relating to veterans.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 987.56 of the Military and Veterans Code is amended to read:

987.56. The department shall prescribe and determine the qualifications of all veterans. Any person deeming himself a veteran and desiring to benefit hereunder, shall submit to the department

information, in such form as the department prescribes, which will enable the department to determine his eligibility and qualifications. The department may make further inquiries and investigations in order to determine such eligibility and qualifications. Veterans who are otherwise qualified and who were wounded or disabled as a result of their service shall be given first preference in the benefits conferred by this article. The department shall determine, in each case, whether or not the veteran was wounded or disabled as a result of service.

The following group shall be given second preference in the benefits conferred by this article:

(a) The unremarried spouse of individuals who were members of the armed forces on active military duty, entered active duty while in the State of California, lived in this state for six months immediately preceding his or her entry into active duty, and were killed in the line of duty while on active duty.

(b) Members of the armed forces who entered active military duty while in the State of California, lived in this state for six months preceding his or her entry into active duty, and were held as prisoners of war.

(c) The unremarried spouse of members of the armed forces who entered active military duty while in the State of California, lived in this state for six months preceding his or her entry into active duty, and have been designated by the armed forces as missing in action.

Veterans discharged or released from active duty within 10 years of their application to the department, shall be given third preference in the benefits conferred by this article.

Nothing in this section regarding preferences shall affect any eligibility requirement for benefits conferred by this article.

SEC. 2. Section 987.61 of the Military and Veterans Code is amended to read:

987.61. The department may purchase property, subject to a participation contract providing for a loan term of not less than 23 years. In no event shall the purchase price plus the participation contract exceed thirty-five thousand dollars ($35,000).

SEC. 3. Section 987.65 of the Military and Veterans Code is amended to read:

987.65. The purchase price of a home to the department shall not exceed the sum of thirty-five thousand dollars ($35,000), except that the purchase price of a mobilehome to the department shall not exceed twelve thousand five hundred dollars ($12,500), and a veteran purchasing the home may advance, subject to the provisions of Section 987.64, the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department is required under Section 987.69 of this code to add to the purchase price of the home in fixing the selling price thereof to the veteran. Subject to these limitations, any amount over thirty thousand dollars ($30,000) of the purchase price to the department may be provided by funds from

participation contracts or revenue bonds. The purchase price of a farm to the department shall not exceed eighty thousand dollars ($80,000), and a veteran purchasing the farm may advance the difference between the total price of the farm or cost of the dwelling and improvements to be constructed on a farm under a contract and the sum of such purchase price to the department or contract price to the department and any amount which the department is required under Section 987.69 of this code to add to such purchase or contract price to the department in fixing the selling price of the farm to the veteran.

SEC. 4. Section 987.90 of the Military and Veterans Code is amended to read:

987.90. For the purposes of carrying out the provisions of the Veterans' Farm and Home Purchase Act of 1974, there is hereby appropriated, and the department is hereby authorized to utilize, the proceeds derived from the Veterans Bond Act of 1974 and from all subsequent veterans bond acts. The department is authorized to combine such funds up to a percent to be established by the Veterans Finance Committee and reported to the Legislature annually with funds derived from participation contracts.

SEC. 5. It is the purpose of this act to increase the flexibility of the Department of Veterans' Affairs in utilizing general obligation bond, participation contract, and revenue bond funds for veterans' home loans, and nothing in this act shall be construed as limiting the authority the department would otherwise have in utilizing such funding sources for veterans' home loans.

CHAPTER 663

An act to amend Sections 1003.10, 1003.13, 1006.11, 1006.13 and 1006.16 of the Military and Veterans Code, relating to the Veterans' Revenue Debenture Act of 1970.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 1003.10 of the Military and Veterans Code is amended to read:

1003.10. There is in the State Treasury a revolving fund known as the Veterans' Farm and Home Building Fund of 1970. Proceeds of sale of debentures shall be deposited in this fund. Money may be withdrawn from such fund in accordance with law upon requisition of the department for the purpose of carrying out the Veterans' Farm and Home Purchase Act of 1974.

SEC. 2. Section 1003.13 of the Military and Veterans Code is amended to read:

1003.13. Prior to the issuance of any debentures the department is authorized to deposit in any reserve fund created for the further security of the debentures, as the initial deposit therein, cash or securities equal to the minimum amounts required to be maintained therein by any resolution of issuance. Excess money in the reserve fund or account not required to be maintained therein by the provisions of any resolution of issuance may be withdrawn at the request of the department and transferred to the Veterans' Farm and Home Building Fund of 1970 and used and applied for the purpose of carrying out the Veterans' Farm and Home Purchase Act of 1974.

SEC. 3. Section 1006.11 of the Military and Veterans Code is amended to read:

1006.11. This chapter shall be liberally construed to carry out the objects and purposes and the declared public policy of the State of California as in this chapter set forth. The facts with which the Legislature is fully cognizant are:

The State of California is committed to aid and assist veterans under the Veterans' Farm and Home Purchase Act of 1974. Increasing numbers of servicemen who served in Vietnam are being discharged and need home loans. The Cal-Vet loan program must be updated to provide comparable benefits to those provided veterans of World War II and the Korean Conflict. Conditions in the money market render it impracticable for the State of California in conformity with its other commitments to continue to raise funds for veterans' aid through the issuance and sale of general obligation bonds of the state. There is now in the Department of Veterans Affairs a backlog of applications which cannot be processed because funds are inadequate to meet the demand for loans. This act provides another method whereby the State of California will be able to raise the necessary funds for the aid and assistance of veterans through the issuance of revenue debentures payable exclusively from the proceeds of contracts of sale of properties acquired by the department from veterans' revenue debenture proceeds and resold to veterans without imposing any liability upon the State of California and without creating any debt or liability of the State of California. The urgent requirements of veterans and the necessity of raising funds immediately for their aid and assistance render it essential that this law be adopted.

SEC. 4. Section 1006.13 of the Military and Veterans Code is amended to read:

1006.13. This chapter shall not operate to rescind or repeal any act of the State of California now or hereafter enacted providing for the issuance of general obligation bonds of the State of California for the purpose of financing the Veterans' Farm and Home Purchase Act of 1974 or for purposes similar to those set forth in the Veterans' Farm and Home Purchase Act of 1974 provided such bonds are either payable out of the General Fund of the State of California or the full faith and credit of said state is pledged for the payment of both the

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principal of and interest thereon.

SEC. 5. Section 1006.16 of the Military and Veterans Code is amended to read:

1006.16. All applications for the benefits contained in this article shall be filed with the department within 25 years from the date of the applicant's discharge from the service.

CHAPTER 664

An act to amend Section 25600 of the Public Resources Code, relating to energy.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 25600 of the Public Resources Code is amended to read:

25600. The commission shall develop and coordinate a program of research and development in energy supply, consumption, and conservation and the technology of siting facilities and shall give priority to those forms of research and development which are of particular importance to the state, including, but not limited to, all of the following:

(a) Methods of energy conservation specified in Chapter 5 (commencing with Section 25400).

(b) Increased energy use efficiencies of existing thermal electric and hydroelectric powerplants and increased energy efficiencies in designs of thermal electric and hydroelectric powerplants.

(c) Expansion and accelerated development of alternative sources of energy, including geothermal and solar resources, including, but not limited to, participation in large-scale demonstrations of alternative energy systems sited in California in cooperation with federal agencies, regional compacts, other state governments, and other participants. For purposes of this subdivision, "participation" shall be defined as any of the following: (1) direct interest in a project, (2) research and development to insure acceptable resolution of environment and other impacts of alternative energy systems, (3) research and development to improve siting and permitting methodology for alternative energy systems, (4) experiments utilizing the alternative energy systems, and (5) research and development of appropriate methods to insure the widespread utilization of economically useful alternative energy systems. Large-scale demonstrations of alternative energy systems are exemplified by the $100KW_e$ to $100MW_e$ range demonstrations of solar, wind, and geothermal systems contemplated by federal agencies, regional compacts, other state governments, and other

participants.

(d) Improved methods of construction, design, and operation of facilities to protect against seismic hazards.

(e) Improved methods of energy demand forecasting.

(f) To accomplish the purposes of subdivision (c), an amount not more than one-half of the total state funds appropriated for the solar energy research and development program as proposed in the budget prepared pursuant to Section 25603 shall be allocated for large-scale demonstration of alternative energy systems.

CHAPTER 665

An act to add Chapter 9 (commencing with Section 5830) to Division 5 of the Public Resources Code, relating to the Bushy Lake preservation.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Chapter 9 (commencing with Section 5830) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 9. BUSHY LAKE PRESERVATION

5830. This chapter may be cited as the Bushy Lake Preservation Act.

5831. As used in this chapter, unless the context clearly requires a different meaning:

(a) "California Exposition flood plain" means that portion of state-owned California Exposition land in the American River flood plain as it exists on January 1, 1977.

(b) "Bushy Lake area" means that portion of the California Exposition flood plain bounded by the continuous line enclosing Bushy Lake, which line is 100 feet outside the 25-foot elevation contour line as limited on the north side by the waterside toe of the levee and as limited on the west side by a line 100 feet east of State Highway Route 80 as it exists on January 1, 1977.

(c) "Bushy Lake" means a body of water in the Bushy Lake area with approximately 11 acres of water surface in the summer and approximately 80 acres in the winter.

(d) "Lower American River" means that portion of the American River between Nimbus Dam and the confluence of the American River with the Sacramento River.

5832. The Legislature finds and declares that:

(a) The lower American River is in the California Wild and Scenic Rivers System as designated in subdivision (e) of Section 5093.54, and

has thus been determined by the Legislature as possessing extraordinary scenic, recreational, fishery, and wildlife values.

(b) The County of Sacramento and the City of Sacramento have developed the American River Parkway, a 23-mile open-space greenbelt in the lower American River flood plain, and have promulgated land use regulations to prevent urban and other incompatible encroachment into the parkway.

(c) The California Exposition flood plain contains an unprotected block of significant riparian habitat remaining in the lower American River flood plain, and the United States Fish and Wildlife Service has determined that this riparian habitat is of vital importance and an integral part of the American River.

5833. The department shall preserve, for public day use and enjoyment, the California Exposition flood plain in a manner consistent with the definition of a state park in accordance with the provisions of subdivision (c) of Section 5001.5, except that the parking of public and private vehicles may be permitted only during the State Fair and only on the flood plain land abutting the riverside toe of the levee as it exists on January 1, 1977, beginning at least 400 feet east of the Bushy Lake area and extending not more than 1,500 feet along the toe of such levee eastward of the Bushy Lake area and extending not more than a distance of 300 feet riverward from such levee.

5834. The department shall preserve the Bushy Lake area in accordance with the provisions of subdivision (f) of Section 5001.5. The department may allow group picnics and vehicles found essential for such picnics in an area designated by the department on the north side of Bushy Lake, commonly known as "picnic island."

5835. In enacting this chapter, it is not the intent of the Legislature to require removal, or preclude use, repair, or additional construction of, highways, electric transmission lines, sewage lines, or waterlines through the California Exposition flood plain. Further, it is not the intent of the Legislature to preclude the use of emergency vehicles, maintenance vehicles, or vehicles necessary for the construction of parkway facilities.

CHAPTER 666

An act to amend Sections 1785.1, 1785.3, 1785.15, 1785.16, 1785.17, 1785.20, 1786.22, and 1786.26 of, to amend and renumber Sections 1785.31, 1785.32, 1785.33, and 1785.34 of, to add Sections 1785.20.5, 1785.21, 1785.30, and 1785.31 to, and to repeal Section 1785.30 of, the Civil Code, relating to credit reporting.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 1785.1 of the Civil Code is amended to read:

1785.1. The Legislature finds and declares as follows:

(a) An elaborate mechanism has been developed for investigating and evaluating the credit worthiness, credit standing, credit capacity, and general reputation of consumers.

(b) Consumer credit reporting agencies have assumed a vital role in assembling and evaluating consumer credit and other information on consumers.

(c) There is a need to insure that consumer credit reporting agencies exercise their grave responsibilities with fairness, impartiality, and a respect for the consumer's right to privacy.

(d) It is the purpose of this title to require that consumer credit reporting agencies adopt reasonable procedures for meeting the needs of commerce for consumer credit, personnel, insurance, and other information in a manner which is fair and equitable to the consumer, with regard to the confidentiality, accuracy, relevancy, and proper utilization of such information in accordance with the requirements of this title.

(e) The Legislature hereby intends to regulate consumer credit reporting agencies pursuant to this title in a manner which will best protect the interests of the people of the State of California.

(f) The extension of credit is a privilege and not a right. Nothing in this title shall preclude a creditor from denying credit to any applicant providing such denial is based on factors not inconsistent with present law.

(g) Any clauses in contracts existing between creditors and credit reporters which prohibit any action by either the reporter or the creditor required by this title are not in the public interest and shall be considered unenforceable. This shall not invalidate the other terms of such a contract.

SEC. 2. Section 1785.3 of the Civil Code is amended to read:

1785.3. The following terms as used in this title have the meaning expressed in this section:

(a) The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other entity.

(b) The term "consumer" means a natural individual.

(c) The term "consumer credit report" means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, or credit capacity, which is used or is expected to be used, or collected in whole or in part, for the purpose of serving as a factor in establishing the consumer's eligibility for: (1) credit to be used primarily for personal, family, or household purposes, or (2) employment purposes, or (3) other purposes authorized in Section 1785.11.

The term does not include: (1) any report containing information solely as to transactions or experiences between the consumer and the person making the report, or (2) any authorization or approval

of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device, or (3) any report by a person conveying a decision whether to make a specific extension of credit directly or indirectly to a consumer in response to a request by a third party, if the third party advises the consumer of the name and address of the person to whom the request was made and such person makes the disclosures to the consumer required under Section 1785.20, or (4) any report containing information solely on a consumer's character, general reputation, personal characteristics, or mode of living which is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on, or others with whom he is acquainted or who may have knowledge concerning any such items of information.

(d) The term "consumer credit reporting agency" means any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, but does not include any governmental agency whose records are maintained primarily for traffic safety, law enforcement, or licensing purposes.

(e) The term "file" when used in connection with information on any consumer, means all of the information on that consumer recorded and retained by a consumer credit reporting agency regardless of how the information is stored.

(f) The term "employment purposes", when used in connection with a consumer credit report, means a report used for the purpose of evaluating a consumer for employment, promotion, reassignment, or retention as an employee.

(g) "Item of information" means any of one or more informative entries in a credit report which causes a creditor to deny credit to an applicant or increase the cost of credit to an applicant.

SEC. 3. Section 1785.15 of the Civil Code is amended to read:

1785.15. (a) A consumer credit reporting agency shall supply files and information required under Section 1785.10 during normal business hours and on reasonable notice.

(b) Files maintained on a consumer shall be disclosed as follows:

(1) In person, if he or she appears in person and furnishes proper identification. The consumer shall be provided with a decoded version of the file or a copy of the file with an explanation of any code used.

(2) By mail, if the consumer makes a written request with proper identification for a copy of the file or a decoded version of such file to be sent to the consumer at a specified address. Consumer credit reporting agencies complying with requests for mailings under this section shall not be liable for disclosures to third parties caused by mishandling of mail after such mailings leave the consumer reporting agencies.

(3) A summary of all information contained in files on a consumer

and required to be provided by Section 1785.10 shall be provided by telephone, if the consumer has made a written request, with proper identification for telephone disclosure, and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer.

(c) The term "proper identification" as used in subdivision (b) shall mean that information generally deemed sufficient to identify a person. Only if the consumer is unable to reasonably identify himself with the information described above, may a consumer credit reporting agency require additional information concerning the consumer's employment and personal or family history in order to verify his identity.

(d) The consumer credit reporting agency shall provide trained personnel to explain to the consumer any information furnished him pursuant to Section 1785.10.

(e) The consumer shall be permitted to be accompanied by one other person of his choosing, who shall furnish reasonable identification. A consumer credit reporting agency may require the consumer to furnish a written statement granting permission to the consumer credit reporting agency to discuss the consumer's file in such person's presence.

SEC. 4. Section 1785.16 of the Civil Code is amended to read:

1785.16. (a) If the completeness or accuracy of any item of information contained in his file is disputed by a consumer, and such dispute is conveyed directly to the consumer credit reporting agency by the consumer or user on behalf of the consumer, the consumer credit reporting agency shall within a reasonable period of time reinvestigate and record the current status of the disputed information unless it has reasonable grounds to believe that the dispute by the consumer is frivolous or irrelevant. If the consumer credit reporting agency determines that the dispute is frivolous or irrelevant, it shall notify the consumer in writing within five days after such determination is made that it will not reinvestigate the item of information. In this notification, the consumer credit reporting agency shall state the specific reasons why it has determined that the consumer's dispute is frivolous or irrelevant. If a reinvestigation is made and, after reinvestigation, the disputed item of information is found to be missing, inaccurate, or can no longer be verified, the consumer credit reporting agency shall promptly add, correct, or delete such information from the consumer's file and shall notify the consumer that such information has been added, corrected, or deleted. The presence of information in the consumer's file that contradicts the contention of the consumer shall not, in and of itself, constitute reasonable grounds for believing the dispute is frivolous or irrelevant.

(b) If the consumer credit reporting agency determines that the dispute is frivolous or irrelevant, or if the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute. The consumer credit reporting agency may limit such statements to not more than 100 words if it

provides the consumer with assistance in writing a clear summary of the dispute.

(c) Whenever a statement of dispute is filed, the consumer credit reporting agency shall, in any subsequent consumer credit report containing the information in question, clearly note that the information is disputed by the consumer and shall include in the report either the consumer's statement or a clear and accurate summary thereof.

(d) Following the deletion of information from a consumer's file pursuant to subdivision (a), or following the filing of a dispute pursuant to subdivision (b), the consumer credit reporting agency shall, at the request of the consumer, furnish notification that the item of information has been deleted or that the item of information is disputed. In the case of disputed information, the notification shall include the statement or summary of the dispute filed pursuant to subdivision (b). Such notification shall be furnished to any person, specifically designated by the consumer, who has, within two years prior to the deletion or the filing of the dispute, received a consumer credit report concerning the consumer for employment purposes, or who has, within six months of the deletion or the filing of the dispute, received a consumer credit report concerning the consumer for any other purpose, if such consumer credit reports contained the deleted or disputed information. The consumer credit reporting agency shall clearly and conspicuously disclose to the consumer his rights to make a request for notification. Such disclosure shall be made at or prior to the time the information is deleted or the consumer's statement regarding the disputed information is received.

SEC. 5. Section 1785.17 of the Civil Code is amended to read:

1785.17. A consumer credit reporting agency shall make all disclosures pursuant to Sections 1785.10 and 1785.15 and furnish all consumer reports pursuant to Section 1785.16 as follows:

(1) Without charge, if requested by the consumer within 30 days after receipt by such consumer of a notification of adverse action pursuant to Section 1785.20 or of a notification from a debt collection agency affiliated with such consumer credit reporting agency stating that the consumer's credit rating may be or has been adversely affected. There may be imposed a reasonable charge if the disclosure requires the preparation of special material.

(2) The consumer credit reporting agency may otherwise impose a reasonable charge on the consumer for making disclosures to such consumer pursuant to Section 1785.10 and Section 1785.16 and for any other services rendered to the consumer.

(3) Any charges shall be indicated to the consumer prior to disclosure and may not cover notification of the deletion of information which is found to be inaccurate or which can no longer be verified.

(4) A reasonable charge for disclosure under this section cannot exceed five dollars ($5). A reasonable charge for other services rendered to the consumer shall not exceed those charges made to a

user of the consumer credit reporting agency's services.

SEC. 6. Section 1785.20 of the Civil Code is amended to read:

1785.20. (a) Whenever credit for personal, family, or household purposes involving a consumer is denied or the charge for such credit is increased either wholly or partly because of information contained in a consumer credit report from a consumer credit reporting agency, the user of the consumer credit report shall:

(1) Supply the name and address of the consumer credit reporting agency making the report.

(2) Provide a statement of reasons for the credit denial. A user satisfies this obligation by:

(A) Providing statements of reasons in writing as a matter of course to a consumer denied credit; or

(B) Giving written notification of credit denial which discloses:

(i) The consumer's right to a statement of reasons within 30 days after receipt by the user of a request made within 60 days after such notification, and

(ii) The identity and address of the person or office from which the statement of reasons may be obtained.

(C) The statement of reasons may be given orally if the written notification advises the consumer of the right to have the statement of reasons confirmed in writing on written request.

(3) A statement of reasons meets the requirements of this section only if it contains the specific reasons for the credit denial.

(4) Where a creditor has been requested by a third party to make a specific extension of credit directly or indirectly to an applicant, the notification and statement of reasons required by this section may be made directly by such creditor, or indirectly through the third party, provided in either case that the identity of the creditor is disclosed.

(5) For purposes of this section:

(A) The term "applicant" means a natural person who applies for credit primarily for personal, family, or household purposes.

(B) The term "credit denial" means a denial or revocation of credit, a change in the terms of an existing credit arrangement, or a refusal to grant credit in substantially the amount or on substantially the terms requested. Such term does not include a refusal to extend additional credit under an existing credit arrangement where the applicant is delinquent or otherwise in default, or where such additional credit would exceed a previously established credit limit without a specific written application or written request for an increase in the credit limit.

(C) The term "creditor" refers only to creditors who regularly extend, or arrange for the extension of, credit whether in connection with loans, sales of property or services, or otherwise.

(b) Whenever credit for personal, family, or household purposes involving a consumer is denied or the charge for such credit is increased either wholly or in part because of information obtained from a person other than a consumer credit reporting agency bearing upon the consumer's credit worthiness or credit standing,

the user of such information shall within 30 days after receipt of the consumer's written request for the reasons for such adverse action received within 60 days after learning of such adverse action, disclose the nature and substance of the information to the consumer. The user of such information shall clearly and accurately disclose to the consumer his right to make such written request at the time such adverse action is communicated to the consumer.

(c) No person shall be held liable for any violation of this section if he shows by a preponderance of the evidence that at the time of the alleged violation he maintained reasonable procedures to assure compliance with the provisions of this section.

SEC. 7. It is the intent of the Legislature that if this bill and Senate Bill No. 973 of the 1975–76 Regular Session are both chaptered to become effective at any time in 1977, then Section 6 of this act shall not become operative and Section 1785.20 of the Civil Code shall remain in the form in which it read immediately prior to the effective date of this act.

SEC. 7.5. Section 1785.20.5 is added to the Civil Code, to read:

1785.20.5. Whenever employment involving a consumer is denied either wholly or partly because of information contained in a consumer credit report from a consumer credit reporting agency, the user of the consumer credit report shall so advise the consumer against whom the adverse action has been taken and supply the name and address or addresses of the consumer credit reporting agency making the report. No person shall be held liable for any violation of this section if he shows by a preponderance of the evidence that, at the time of the alleged violation, he maintained reasonable procedures to assure compliance with this section.

SEC. 8. Section 1785.21 is added to the Civil Code, to read:

1785.21. (a) A user in its discretion may notify the consumer that upon request the user may contact the consumer reporting agency and request that the consumer reporting agency investigate the current status of an item or items of information contained in the consumer report if the consumer disputes the completeness or accuracy of an item or items of information as provided to the user.

(b) The consumer credit reporting agency may require identification from the user to insure the validity of the request and, in that regard, may require that the request be put in writing with proper identification.

(c) In the event that any such request is made and identification given in the form or manner demanded by the consumer credit reporting agency, such agency shall review the file of the consumer and report the current status of the disputed information to the user and the consumer by the most expeditious means possible.

(d) No user who furnishes information pursuant to this section shall be liable to any person for furnishing such information.

SEC. 9. Section 1785.30 of the Civil Code is repealed.

SEC. 10. Section 1785.30 is added to the Civil Code, to read:

1785.30. Upon notification of the results of a reporter's

reinvestigation pursuant to Section 1785.16, an applicant may make a written demand on any person furnishing information to the reporter to correct any information which the applicant believes to be inaccurate. The person upon whom such written demand is made shall acknowledge the demand within 30 days. The applicant may require the reporter to indicate on any subsequent reports issued during the dispute that the item or items of information are in dispute. If upon investigation the information is found to be inaccurate or incorrect, the applicant may require the reporter to delete or correct such item or items of information within a reasonable time. If within 90 days the reporter does not receive any information from the person requested to furnish the same or any communication relative to such information from such person, the applicant may require the reporter to delete such information from the report.

SEC. 11. Section 1785.31 of the Civil Code is amended and renumbered to read:

1785.32. Except as provided in Section 1785.31, no consumer may bring any action or proceeding in the nature of defamation, invasion of privacy or negligence with respect to the reporting of information against any consumer reporting agency, any user of information, or any person who furnishes information to a consumer reporting agency, based on information disclosed pursuant to Section 1785.10, 1785.15 or 1785.20 of this title, except as to false information furnished with malice or willful intent to injure such consumer.

SEC. 12. Section 1785.31 is added to the Civil Code, to read:

1785.31. (a) Any applicant who suffers damages as a result of a violation of this title by any person, may bring an action in a court of appropriate jurisdiction against such person to recover the following:

(1) In the case of a negligent violation, actual damages, including court costs, loss of wages, attorney's fees and, when applicable, pain and suffering.

(2) In the case of a willful violation:

(A) Actual damages as set forth in paragraph (1) above:

(B) Punitive damages of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000) for each violation as the court deems proper;

(C) Any other relief which the court deems proper.

(b) In addition to any other remedy contained in this section, injunctive relief shall be available to any applicant aggrieved by a violation or a threatened violation of this title.

(c) Notwithstanding any other provision of this section, any person who willfully violates any requirement imposed under this title may be liable for punitive damages in the case of a class action, in such amount that the court may allow. In determining the amount of award in any class action, the court shall consider among relevant factors the amount of any actual damages awarded, the frequency of the violations, the resources of the violator and the number of

persons adversely affected.

(d) The prevailing parties in any action commenced under this section shall be entitled to recover court costs and reasonable attorney's fees.

SEC. 13. Section 1785.32 of the Civil Code is amended and renumbered to read:

1785.33. An action to enforce any liability created under this chapter may be brought in any appropriate court of competent jurisdiction within two years from the date on which the liability arises except that where a defendant has materially and willfully misrepresented any information required under this chapter to be disclosed to a consumer and the information so misrepresented is material to the establishment of the defendant's liability to the consumer under this chapter, the action may be brought at any time within two years after the discovery by the consumer of the misrepresentation.

SEC. 14. Section 1785.33 of the Civil Code is amended and renumbered to read:

1785.34. (a) Any consumer credit reporting agency or user of information against whom an action brought pursuant to Section 1681n or 1681o of Title 15 of the United States Code is pending shall not be subject to suit for the same act or omission under Section 1785.31.

(b) The entry of a final judgment against a consumer credit reporting agency or user of information in an action brought pursuant to the provisions of Section 1681n or 1681o of Title 15 of the United States Code shall be a bar to the maintenance of any action based on the same act or omission which might be brought under this chapter.

SEC. 15. Section 1785.34 of the Civil Code is amended and renumbered to read:

1785.35. This title does not apply to any consumer credit report which by its terms is limited to disclosures from public records relating to land and land titles and does not apply to any person whose records and files are maintained for the primary purpose of reporting those portions of the public records which impart constructive notice under the law of matters relating to land and land titles, nor does it apply to transactions by mail where the credit grantor and its major credit application processing office are located outside the State of California.

SEC. 16. Section 1786.22 of the Civil Code is amended to read:

1786.22. (a) An investigative consumer reporting agency shall supply files and information required under Section 1786.10 during normal business hours and on reasonable notice.

(b) Files maintained on a consumer shall be made available for the consumer's visual inspection, as follows:

(1) In person, if he appears in person and furnishes proper identification. A copy of his file shall also be available to the consumer for a fee not to exceed the actual costs of duplication

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services provided.

(2) By certified mail, if he makes a written request, with proper identification, for copies to be sent to a specified addressee. Investigative consumer reporting agencies complying with requests for certified mailings under this section shall not be liable for disclosures to third parties caused by mishandling of mail after such mailings leave the investigative consumer reporting agencies.

(3) A summary of all information contained in files on a consumer and required to be provided by Section 1786.10 shall be provided by telephone, if the consumer has made a written request, with proper identification for telephone disclosure, and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer.

(c) The term "proper identification" as used in subdivision (b) shall mean that information generally deemed sufficient to identify a person. Such information includes documents such as a valid driver's license, social security account number, military identification card, and credit cards. Only if the consumer is unable to reasonably identify himself with the information described above, may an investigative consumer reporting agency require additional information concerning the consumer's employment and personal or family history in order to verify his identity.

(d) The investigative consumer reporting agency shall provide trained personnel to explain to the consumer any information furnished him pursuant to Section 1786.10.

(e) The investigative consumer reporting agency shall provide a written explanation of any coded information contained in files maintained on a consumer. This written explanation shall be distributed whenever a file is provided to a consumer for visual inspection as required under Section 1786.22.

(f) The consumer shall be permitted to be accompanied by one other person of his choosing, who shall furnish reasonable identification. An investigative consumer reporting agency may require the consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer's file in such person's presence.

SEC. 17. Section 1786.26 of the Civil Code is amended to read:

1786.26. An investigative reporting agency shall make all disclosures pursuant to Sections 1786.10 and 1786.22 and furnish all consumer reports pursuant to Section 1786.24 as follows:

(1) Without charge, if requested by the consumer within 30 days after receipt by such consumer of a notification of adverse action pursuant to Section 1786.40 stating that adverse action may be or has been taken on the consumer. There may be imposed a reasonable charge if the disclosure requires the preparation of special material.

(2) The investigative consumer reporting agency may otherwise impose a reasonable charge on the consumer for making disclosures to such consumer pursuant to Sections 1786.10 and 1786.22 and for any other services rendered to the consumer.

(3) Any charges shall be indicated to the consumer prior to

disclosure and may not cover notification of the deletion of information which is found to be inaccurate or which can no longer be verified.

(4) A reasonable charge for disclosure under this section cannot exceed five dollars ($5). A reasonable charge for other services rendered to the consumer shall not exceed those charges made to a user of the consumer credit reporting agency's services.

CHAPTER 667

An act to amend the heading of Article 4 (commencing with Section 11190) of Chapter 2 of Title 1 of Part 4 of, and to amend Sections 11191, 11193, 11194, and 11195 of, and to add Sections 11189 and 11197 to, the Penal Code, relating to crimes and criminals.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976]

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

SECTION 1. The heading of Article 4 (commencing with Section 11190) of Chapter 2 of Title 1 of Part 4 of the Penal Code is amended to read:

Article 4. Interstate Corrections Compacts

SEC. 2. Section 11189 is added to the Penal Code as part of Article 4 (commencing with Section 11190) of Chapter 2 of Title 1 of Part 4 of the Penal Code, to read:

11189. The Interstate Corrections Compact as set forth in this section is hereby adopted and entered into with all other jurisdictions joining therein. The provisions of the interstate compact are as follows:

INTERSTATE CORRECTIONS COMPACT

This section may be cited as the Interstate Corrections Compact.

The Interstate Corrections Compact is hereby enacted into law and entered into by this state with any other states legally joining therein in the form substantially as follows:

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INTERSTATE CORRECTIONS COMPACT

Article I

Purpose and Policy

The party states, desiring by common action to fully utilize and improve their institutional facilities and provide adequate programs for the confinement, treatment and rehabilitation of various types of offenders, declare that it is the policy of each of the party states to provide such facilities and programs on a basis of cooperation with one another, thereby serving the best interests of such offenders and of society and effecting economies in capital expenditures and operational costs. The purpose of this compact is to provide for the mutual development and execution of such programs of cooperation for the confinement, treatment and rehabilitation of offenders with the most economical use of human and material resources.

Article II

Definitions

As used in this compact, unless the context clearly requires otherwise:

(a) "State" means a state of the United States; the United States of America; a territory or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico.

(b) "Sending state" means a state party to this compact in which conviction or court commitment was had.

(c) "Receiving state" means a state party to this compact to which an inmate is sent for confinement other than a state in which conviction or court commitment was had.

(d) "Inmate" means a male or female offender who is committed, under sentence to or confined in a penal or correctional institution.

(e) "Institution" means any penal or correctional facility, including but not limited to a facility for the mentally ill or mentally defective, in which inmates as defined in (d) above may lawfully be confined.

Article III

Contracts

(a) Each party state may make one or more contracts with any one or more of the other party states for the confinement of inmates on behalf of a sending state in institutions situated within receiving states. Any such contract shall provide for:

1. Its duration.
2. Payments to be made to the receiving state by the sending state

for inmate maintenance, extraordinary medical and dental expenses, and any participation in or receipt by inmates of rehabilitative or correctional services, facilities, programs or treatment not reasonably included as part of normal maintenance.

3. Participation in programs of inmate employment, if any; the disposition or crediting of any payments received by inmates on account thereof; and the crediting of proceeds from or disposal of any products resulting therefrom.

4. Delivery and retaking of inmates.

5. Such other matters as may be necessary and appropriate to fix the obligations, responsibilities and rights of the sending and receiving states.

(b) The terms and provisions of this compact shall be a part of any contract entered into by the authority of or pursuant thereto, and nothing in any such contract shall be inconsistent therewith.

Article IV

Procedures and Rights

(a) Whenever the duly constituted authorities in a state party to this compact, and which has entered into a contract pursuant to Article III, shall decide that confinement in, or transfer of an inmate to, an institution within the territory of another party state is necessary or desirable in order to provide adequate quarters and care or an appropriate program of rehabilitation or treatment, said officials may direct that the confinement be within an institution within the territory of said other party state, the receiving state to act in that regard solely as agent for the sending state.

(b) The appropriate officials of any state party to this compact shall have access, at all reasonable times, to any institution in which it has a contractual right to confine inmates for the purpose of inspecting the facilities thereof and visiting such of its inmates as may be confined in the institution.

(c) Inmates confined in an institution pursuant to the terms of this compact shall at all times be subject to the jurisdiction of the sending state and may at any time be removed therefrom for transfer to a prison or other institution within the sending state, for transfer to another institution in which the sending state may have a contractual or other right to confine inmates, for release on probation or parole, for discharge, or for any other purpose permitted by the laws of the sending state; provided that the sending state shall continue to be obligated to such payments as may be required pursuant to the terms of any contract entered into under the terms of Article III.

(d) Each receiving state shall provide regular reports to each sending state on the inmates of that sending state in institutions pursuant to this compact including a conduct record of each inmate and certify said record to the official designated by the sending state, in order that each inmate may have official review of his or her

record in determining and altering the disposition of said inmate in accordance with the law which may obtain in the sending state and in order that the same may be a source of information for the sending state.

(e) All inmates who may be confined in an institution pursuant to the provisions of this compact shall be treated in a reasonable and humane manner and shall be treated equally with such similar inmates of the receiving state as may be confined in the same institution. The fact of confinement in a receiving state shall not deprive any inmate so confined of any legal rights which said inmate would have had if confined in an appropriate institution of the sending state.

(f) Any hearing or hearings to which an inmate confined pursuant to this compact may be entitled by the laws of the sending state may be had before the appropriate authorities of the sending state, or of the receiving state if authorized by the sending state. The receiving state shall provide adequate facilities for such hearings as may be conducted by the appropriate officials of a sending state. In the event such hearing or hearings are had before officials of the receiving state, the governing law shall be that of the sending state and a record of the hearing or hearings as prescribed by the sending state shall be made. Said record together with any recommendations of the hearing officials shall be transmitted forthwith to the official or officials before whom the hearing would have been had if it had taken place in the sending state. In any and all proceedings had pursuant to the provisions of this subdivision, the officials of the receiving state shall act solely as agents of the sending state and no final determination shall be made in any matter except by the appropriate officials of the sending state.

(g) Any inmate confined pursuant to this compact shall be released within the territory of the sending state unless the inmate, and the sending and receiving states, shall agree upon release in some other place. The sending state shall bear the cost of such return to its territory.

(h) Any inmate confined pursuant to the terms of this compact shall have any and all rights to participate in and derive any benefits or incur or be relieved of any obligations or have such obligations modified or his status changed on account of any action or proceeding in which he could have participated if confined in any appropriate institution of the sending state located within such state.

(i) The parent, guardian, trustee, or other person or persons entitled under the laws of the sending state to act for, advise, or otherwise function with respect to any inmate shall not be deprived of or restricted in his exercise of any power in respect of any inmate confined pursuant to the terms of this compact.

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Article V

Acts Not Reviewable in Receiving State: Extradition

(a) Any decision of the sending state in respect of any matter over which it retains jurisdiction pursuant to this compact shall be conclusive upon and not reviewable within the receiving state, but if at the time the sending state seeks to remove an inmate from an institution in the receiving state there is pending against the inmate within such state any criminal charge or if the inmate is formally accused of having committed within such state a criminal offense, the inmate shall not be returned without the consent of the receiving state until discharged from prosecution or other form of proceeding, imprisonment or detention for such offense. The duly accredited officers of the sending state shall be permitted to transport inmates pursuant to this compact through any and all states party to this compact without interference.

(b) An inmate who escapes from an institution in which he is confined pursuant to this compact shall be deemed a fugitive from the sending state and from the state in which the institution is situated. In the case of an escape to a jurisdiction other than the sending or receiving state, the responsibility for institution of extradition or rendition proceedings shall be that of the sending state, but nothing contained herein shall be construed to prevent or affect the activities of officers and agencies of any jurisdiction directed toward the apprehension and return of an escapee.

Article VI

Federal Aid

Any state party to this compact may accept federal aid for use in connection with any institution or program, the use of which is or may be affected by this compact or any contract pursuant hereto and any inmate in a receiving state pursuant to this compact may participate in any such federally aided program or activity for which the sending and receiving states have made contractual provision, provided that if such program or activity is not part of the customary correctional regimen, the express consent of the appropriate official of the sending state shall be required therefor.

Article VII

Entry Into Force

This compact shall enter into force and become effective and binding upon the states so acting when it has been enacted into law by any two states. Thereafter, this compact shall enter into force and

become effective and binding as to any other of said states upon similar action by such state.

Article VIII

Withdrawal and Termination

This compact shall continue in force and remain binding upon a party state until it shall have enacted a statute repealing the same and providing for the sending of formal written notice of withdrawal from the compact to the appropriate officials of all other party states. An actual withdrawal shall not take effect until one year after the notices provided in said statute have been sent. Such withdrawal shall not relieve the withdrawing state from its obligations assumed hereunder prior to the effective date of withdrawal. Before the effective date of withdrawal, a withdrawing state shall remove to its territory, at its own expense, such inmates as it may have confined pursuant to the provisions of this compact.

Article IX

Other Arrangements Unaffected

Nothing contained in this compact shall be construed to abrogate or impair any agreement or other arrangement which a party state may have with a nonparty state for the confinement, rehabilitation or treatment of inmates nor to repeal any other laws of a party state authorizing the making of cooperative institutional arrangements.

Article X

Construction and Severability

The provisions of this compact shall be liberally construed and shall be severable. If any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any participating state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

SEC. 3. Section 11191 of the Penal Code is amended to read:

11191. Any court or other agency or officer of this state having power to commit or transfer an inmate (as defined in Article II(d) of the Interstate Corrections Compact or of the Western Interstate Corrections Compact) to any institution for confinement may

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commit or transfer such inmate to any institution within or without this state if this state has entered into a contract or contracts for the confinement of inmates in said institution pursuant to Article III of the Interstate Corrections Compact or of the Western Interstate Corrections Compact, but no inmate sentenced under California law may be committed or transferred to an institution outside of this state, unless he has executed a written consent to the transfer. The inmate shall have the right to a private consultation with an attorney of his choice, or with a public defender if the inmate cannot afford counsel, concerning his rights and obligations under this section, and shall be informed of such right prior to executing the written consent. At any time more than five years after the transfer, the inmate shall be entitled to revoke his consent and to transfer to an institution in this state. In such cases, the transfer shall occur within the next 30 days.

SEC. 4. Section 11193 of the Penal Code is amended to read:

11193. Any inmate sentenced under California law who is imprisoned in another state, pursuant to a compact, shall be entitled to all hearings, within 120 days of the time and under the same standards, which are normally accorded to persons similarly sentenced who are confined in institutions in this state. If the inmate consents in writing, such hearings may be conducted by the corresponding agencies or officials of such other jurisdiction. The Adult Authority, or the California Women's Board of Terms and Parole, as appropriate, or its duly authorized representative is hereby authorized and directed to hold such hearings as may be requested by such other jurisdiction or the inmate pursuant to this section or to Article IV(f) of the Interstate Corrections Compact or of the Western Interstate Corrections Compact.

SEC. 6. Section 11194 of the Penal Code is amended to read:

11194. The Director of Corrections is hereby empowered to enter into such contracts on behalf of this state as may be appropriate to implement the participation of this state in the Interstate Corrections Compact and the Western Interstate Corrections Compact pursuant to Article III thereof. No such contract shall be of any force or effect until approved by the Director of General Services. Such contracts may authorize confinement of inmates in, or transfer of inmates from, only such institutions in this state as are under the jurisdiction of the Department of Corrections, and no such contract may provide for transfer out of this state of any person committed to the custody of the Director of the Youth Authority. No such contract may authorize the confinement of an inmate, who is in the custody of the Director of Corrections, in an institution of a state other than a state that is a party to the Interstate Corrections Compact or to the Western Interstate Corrections Compact. The Director of Corrections, subject to the approval of the Adult Authority or the California Women's Board of Terms and Parole as appropriate, must first determine, on the basis of an inspection made by his direction, that such institution of another state is a suitable

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place for confinement of prisoners committed to his custody before entering into a contract permitting such confinement, and shall, at least annually, redetermine the suitability of such confinement. In determining the suitability of such institution of another state, the director shall assure himself that such institution maintains standards of care and discipline not incompatible with those of the State of California and that all inmates therein are treated equitably, regardless of race, religion, color, creed or national origin.

SEC. 7. Section 11195 of the Penal Code is amended to read:

11195. Every prisoner released from a prison without this state to which he has been committed or transferred from this state pursuant to this article shall be entitled to the same benefits, including, but not limited to money and tools, as are allowed to a prisoner released from a prison in this state. Any person who has been sent to another state for confinement pursuant to this article shall be released within the territory of this state unless the person, the Director of Corrections of California, and the corresponding agency or official of the other state shall agree upon release in some other place. This state shall bear the cost of transporting the person to the place of release.

SEC. 8. Section 11197 is added to the Penal Code, to read:

11197. No person sentenced under California law who is committed or transferred to an institution outside of this state shall be competent to testify for the prosecution in any criminal proceeding in this state unless counsel for each defendant in such proceeding is notified that the prosecution may call the person as a witness and is given an opportunity to interview the person no less than 10 days before the commencement of the proceeding or, in the event the prosecution is not at that time considering the possibility of using such testimony, the notice and opportunity for interview shall be given at the earliest possible time. Nothing in this section shall be construed to compel the prisoner to submit to such an interview.

CHAPTER 668

An act to add Chapter 10.8 (commencing with Section 25940) to Division 20 of the Health and Safety Code, and to amend Section 561 of the Public Utilities Code, relating to smoking.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Chapter 10.8 (commencing with Section 25940) is added to Division 20 of the Health and Safety Code, to read:

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CHAPTER 10.8. SMOKING IN PUBLIC PLACES

25940. This chapter shall be known and may be cited as the California Indoor Clean Air Act of 1976.

25490.5. The Legislature finds and declares that tobacco smoke is a hazard to the health of the general public.

25941. Within indoor rooms, indoor chambers, or indoor places of public assembly in publicly owned buildings in which public business is conducted requiring or providing direct participation or observation by the general public there shall be a contiguous area of not less than 50 percent of the total area of such room, chamber or place designated and posted by signs of sufficient number and posted in such locations as to be readily seen by persons within such area, where the smoking of tobacco is prohibited while a public meeting is in process. A public body, commission, agency, or other entity conducting a public meeting may waive the requirements of this section with respect to its own members, provided that the rights of nonsmoking members are not adversely affected.

25942. Every publicly owned health facility, as defined in Section 1250, and clinic, as defined in Section 1203, shall comply with the following:

(a) Shall make every reasonable effort to assign patients to rooms according to the patient's individual nonsmoking or smoking preference.

(b) Shall designate and post by signs of sufficient number and posted in such locations as to be readily seen by persons within such area, a contiguous area of not less than 20 percent of every cafeteria or other dining area whose occupied capacity is 50 or more persons as a nonsmoking section.

(c) This section shall not prevent any health facility or clinic from banning smoking in any area which it may designate and post by sign or in all areas of the facility or clinic.

25943. Within every publicly owned building open to the general public for the primary purpose of exhibiting any motion picture, stage drama, music recital, or any other performance, with the exception of any indoor sporting event, signs shall be posted in sufficient number and in such locations as to be readily seen by persons within such area, which shall designate that the smoking of tobacco is prohibited in any area other than that commonly known as the lobby. Such prohibition shall not apply except during those times when the building is actually open to the public.

25944. Within every restaurant in a publicly owned building serving food or alcoholic beverages in rooms whose occupied capacity is 50 or more persons there shall be designated and posted by signs of sufficient number and posted in such locations as to be readily seen by persons within such area, a contiguous area of not less than 20 percent of the serving area where the smoking of tobacco is prohibited.

(a) This section shall not apply to banquet rooms in use for private

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functions.

(b) This section shall not apply to premises under lease as a restaurant for such time as the lessee of record on January 1, 1977, has a lease as the operator of the restaurant.

(c) As used in this section, "restaurant" means any place designated as a restaurant by Section 28522.

25945. Any person may apply for a writ of mandate to compel compliance by any public entity which has not complied with the requirements of this chapter for the designating or posting of nonsmoking areas or areas where the smoking of tobacco is prohibited. If judgment is given for the applicant, he may recover all reasonable costs of suit, including reasonable attorney fees, reasonableness to be determined by the court.

25946. The Legislature declares its intent not to preempt the field of regulation of the smoking of tobacco. A local governing body may ban completely the smoking of tobacco, or may regulate such smoking in any manner not inconsistent with this chapter or any other provision of state law.

SEC. 1.5. Section 561 of the Public Utilities Code is amended to read:

561. (a) Every railroad corporation, passenger stage corporation, passenger air carrier, and street railroad corporation providing departures originating in this state shall provide contiguous designated space of not less than 50 percent of the seats for their nonsmoking passengers.

(b) Every such corporation and carrier shall display in the passenger seating area of every passenger car, passenger stage, aircraft, or other vehicle, notices sufficient in number, posted in such locations as to be readily seen by boarding passengers, advising the location of the space designated for the nonsmoking passengers pursuant to subdivision (a). Words on such notices which state "No Smoking" or an equivalent phrase shall be at least three-quarters of one inch high, and any other explanatory words on the notices shall be at least one-quarter of an inch high.

(c) No person shall smoke any tobacco product in a space known by him to be designated for nonsmoking passengers. A violation of this subdivision is not a crime.

(d) As used in this section, "passenger air carrier" shall have the same meaning as provided in Sections 2741 and 2743.

SEC. 2. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

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SEC. 4. This act shall become operative on April 1, 1977.

CHAPTER 669

An act to amend Section 1032b of the Code of Civil Procedure, relating to service of summons.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 1032b of the Code of Civil Procedure is amended to read:

1032b. (a) When any process is served by a person other than a public officer or employee, the court in which the action is pending shall allow as a recoverable cost such sum as it deems proper for such service, but not exceeding the amount allowed to a public officer or employee in this state for such service.

(b) Notwithstanding subdivision (a) upon a showing by such person that, through no fault of his or her own, locating a person to serve or effecting service of process proved unusually difficult, the court may in the interests of justice permit recovery of such reasonable and necessary costs necessarily incurred in effecting service.

(c) For purposes of this section, "unusually difficult" service means a situation where such person was compelled by the circumstances to use a "stakeout" or other extraordinary means of locating a person to serve or effecting service of process. Mere exercise of due diligence shall not by itself be a sufficient showing of "unusually difficult" service.

CHAPTER 670

An act to add Section 17959 to the Health and Safety Code, relating to housing.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976]

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

SECTION 1. Section 17959 is added to the Health and Safety Code, to read:

17959. Any city or county may require, by ordinance or regulation, that new buildings be constructed in a manner permitting the installation of solar heating or nocturnal cooling

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devices, including but not limited to, roof pitch and directional alignment suitable for retrofitting with solar energy collecting devices or nocturnal cooling devices subsequent to initial occupancy. Such an ordinance or regulation shall specify a range of permissible roof pitches and alignments which will optimize efficiency for the collection of solar energy and for nocturnal cooling.

CHAPTER 671

An act to amend Section 408 of, and to add Section 408.1 to, and to repeal Section 408.1 of, the Revenue and Taxation Code, relating to property tax information.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 408 of the Revenue and Taxation Code is amended to read:

408. (a) Except as otherwise provided in subdivisions (b) and (c) any information and records in the assessor's office which are not required by law to be kept or prepared by the assessor, and homeowners' exemption claims, are not public documents and shall not be open to public inspection. Property receiving the homeowners' exemption shall be clearly identified on the assessment roll. The assessor shall maintain records which shall be open to public inspection to identify those claimants who have been granted the homeowners' exemption.

(b) The assessor may provide any appraisal data in his possession to the assessor of any county and shall provide any market data in his possession to an assessee of property or his designated representative upon request. The assessor shall permit an assessee of property or his designated representative to inspect at the assessor's office any information and records, whether or not required to be kept or prepared by the assessor, relating to the appraisal and the assessment of his property. Except as provided in Section 408.1, an assessee or his designated representative, however, shall not be provided or permitted to inspect information and records, other than market data, which also relate to the property or business affairs of another person, unless such disclosure is ordered by a competent court in a proceeding initiated by a taxpayer seeking to challenge the legality of his assessment.

(c) The assessor shall disclose information, furnish abstracts or permit access to all records in his office to law enforcement agencies, the county grand jury, the board of supervisors or their duly authorized agents, employees or representatives when conducting an investigation of the assessor's office pursuant to Section 25303 of

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the Government Code, the State Controller, the State Board of Equalization and other duly authorized legislative or administrative bodies of the state pursuant to their authorization to examine such records.

(d) For purposes of this section, "market data" means any information in the assessor's possession, whether or not required to be prepared or kept by him, relating to the sale of any property comparable to the property of the assessee, if the assessor bases his assessment of the assessee's property, in whole or in part, on such comparable sale or sales. The assessor shall provide the names of the seller and buyer of each property on which the comparison is based, the location of such property, the date of the sale, and the consideration paid for the property, whether paid in money or otherwise, but for purposes of providing such market data, the assessor shall not display any document relating to the business affairs or property of another.

SEC. 2. Section 408.1 is added to the Revenue and Taxation Code, to read:

408.1. (a) The assessor shall maintain a list of transfers of any interest in property, other than undivided interests, within the county, which have occurred within the preceding two-year period.

(b) The list shall be divided into geographical areas and shall be revised on the 30th day of each calendar quarter to include all such transactions which are recorded as of the preceding quarter.

(c) The list shall contain the following information:

(1) Transferor and transferee, if available;

(2) Assessor's parcel number;

(3) Address of the sales property;

(4) Date of transfer;

(5) Date of recording and recording reference number;

(6) Where it is known by the assessor, the consideration paid for such property; and

(7) Additional information which the assessor in his discretion may wish to add to carry out the purpose and intent of this section. Other than sales information, the assessor shall not include information on the list which relates to the business or business affairs of the owner of the property, information concerning the business carried on upon the subject property, or the income or income stream generated by the property.

(d) The list shall be open to inspection by any assessee who has filed a timely application for reduction of his assessment before the local board of equalization or assessment appeals board at the assessor's office, upon payment of a nonrefundable fee established below:

(1) For any application for an inspection prior to January 1, 1980, a fee of ten dollars ($10).

(2) For any application for an inspection on or after January 1, 1980, a fee equal to an amount which would reimburse local agencies for their actual administrative costs incurred in such inspections as

determined by the Legislative Analyst pursuant to the study of such administrative costs covering the first 24 months immediately following the effective date of this section.

SEC. 3. The Legislative Analyst shall conduct a study to determine whether the administrative costs of providing lists pursuant to Section 408.1 of the Revenue and Taxation Code exceed the fee charged to persons requesting such lists. The study shall cover the first 24 months immediately following the effective date of this act and the results of such study shall be submitted to the Legislature within 28 months of the effective date of this act.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act authorizes a revenue source, or makes local governments eligible for a revenue source, that may be utilized by local governments to cover the cost of the mandate.

SEC. 5. Section 408.1 of the Revenue and Taxation Code shall remain in effect only until May 1, 1980, and as of such date is repealed, unless a later enacted statute, which is chaptered before May 1, 1980, deletes or extends such date.

CHAPTER 672

An act to add Section 14019.3 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 14019.3 is added to the Welfare and Institutions Code, to read:

14019.3. Any provider of health care services who obtains a label or copy from the Medi-Cal card or other proof of eligibility pursuant to this chapter shall not seek reimbursement nor attempt to obtain payment for the cost of such covered health care services from the eligible applicant or recipient, or any person other than the department or third party payor who provides a contractual or legal entitlement to health care services.

SEC. 2. The Department of Health shall develop and adopt by administrative regulation no later than July 1, 1977, a proof of eligibility procedure under the Medi-Cal program which shall provide the following:

(a) The beneficiary with evidence to confirm the giving of a proof of eligibility to a provider of health care services. The Department of Health shall either notify beneficiaries or shall insure that beneficiaries are notified that such evidence constitutes a receipt

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and should be retained.

(b) The provider of health care services with documentation necessary to bill the department for payment.

(c) The Department of Health with evidence sufficient to verify the eligibility of the beneficiary in order to reimburse the provider of health care services.

CHAPTER 673

An act to amend Section 270 of the Penal Code, relating to health care.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 270 of the Penal Code is amended to read:

270. If a parent of a minor child willfully omits, without lawful excuse, to furnish necessary clothing, food, shelter or medical attendance, or other remedial care for his or her child, he or she is guilty of a misdemeanor punishable by a fine not exceeding one thousand dollars ($1,000), or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment. If a court of competent jurisdiction has made a final adjudication in either a civil or a criminal action that a person is the parent of a minor child and the person has notice of such adjudication and he or she then willfully omits, without lawful excuse, to furnish necessary clothing, food, shelter, medical attendance or other remedial care for his or her child, this conduct is punishable by imprisonment in the county jail not exceeding one year or in a state prison not exceeding one year and one day, or by a fine not exceeding one thousand dollars ($1,000), or by both such fine and imprisonment. This statute shall not be construed so as to relieve such parent from the criminal liability defined herein for such omission merely because the other parent of such child is legally entitled to the custody of such child nor because the other parent of such child or any other person or organization voluntarily or involuntarily furnishes such necessary food, clothing, shelter or medical attendance or other remedial care for such child or undertakes to do so.

Proof of abandonment or desertion of a child by such parent, or the omission by such parent to furnish necessary food, clothing, shelter or medical attendance or other remedial care for his or her child is prima facie evidence that such abandonment or desertion or omission to furnish necessary food, clothing, shelter or medical attendance or other remedial care is willful and without lawful excuse.

The court, in determining the ability of the parent to support his

or her child, shall consider all income, including social insurance benefits and gifts.

The provisions of this section are applicable whether the parents of such child are or were ever married or divorced, and regardless of any decree made in any divorce action relative to alimony or to the support of the child. A child conceived but not yet born is to be deemed an existing person insofar as this section is concerned.

The husband of a woman who bears a child as a result of artificial insemination shall be considered the father of that child for the purpose of this section, if he consented in writing to the artificial insemination.

If a parent provides a minor with treatment by spiritual means through prayer alone in accordance with the tenets and practices of a recognized church or religious denomination, by a duly accredited practitioner thereof, such treatment shall constitute "other remedial care", as used in this section.

CHAPTER 674

An act to amend Section 23.5 of the Food and Agricultural Code, and to add Section 6307 to the Fish and Game Code, relating to commercial fish farms.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 23.5 of the Food and Agricultural Code is amended to read:

23.5. The commercial production of fish propagated and raised under a domesticated fish breeder's license granted pursuant to Article 3 (commencing with Section 6450) of, and marine life cultivated in a closed water system pursuant to Article 4 (commencing with Section 6480) of, Chapter 5 of Part 1 of Division 6 of the Fish and Game Code in the state is a growing industry and provides a healthful and nutritious food product, and, as a commercial operation, utilizes management, land, water, and feed as do other agricultural enterprises. Therefore, the commercial production of such fish and such marine life shall be considered a branch of the agricultural industry of the state for the purpose of any law which provides for the benefit or protection of the agricultural industry of the state.

SEC. 2. Section 6307 is added to the Fish and Game Code, to read:

6307. (a) If the owner of a commercial enterprise which propagates and raises fish under a domesticated breeder's license pursuant to Article 3 (commencing with Section 6450) of, or which

cultivates marine life in a closed water system pursuant to Article 4 (commencing with Section 6480) of, Chapter 5 of Part 1 of Division 6, is required to destroy such fish or such marine life, or otherwise dispose of such fish or marine life at an economic loss, in accordance with the provisions of this chapter, he shall be compensated for such loss, to the extent funds are appropriated therefor, by the State Board of Control on the basis of poundage. Compensation for such losses directly attributable to state fish disease and parasite control statutes shall not exceed the actual cost to the owner in producing such fish or marine life, or the cost to the department in producing comparable fish or marine life, whichever is less. Any claim for compensation made pursuant to this section shall be presented to the State Board of Control pursuant to Part 3 (commencing with Section 900) of Division 3.6 of Title 1 of the Government Code. The board shall not authorize the payment of such claim to any person unless the department certifies that such person has not:

(1) In connection with the economic loss forming the basis of the claim, violated a regulation of the commission, relating to the commercial propagation and raising of such fish or the cultivation of such marine life in a closed water system as to fish disease and parasite control; or

(2) In connection with such loss, been convicted of violating a provision of the Food and Agricultural Code or Fish and Game Code, relating to the commercial propagation and raising of such fish or the cultivation of such marine life in a closed water system, or relating to fish disease and parasite control; or

(3) Made such a claim more than once in the preceding two years before the present claim; or if a prior claim has been made, the department shall certify that the person has followed the procedures prescribed by the department designed to abate the cause of the loss upon which the earlier claim was based.

(b) Compensation payments made pursuant to this section shall be made only from the General Fund.

(c) In enacting this section, it is not the intent of the Legislature to diminish any existing powers of the commission or the department, but rather to provide specifically for the indemnification of the owners of domestically propagated and raised fish and cultivated marine life in a closed water system that must be destroyed to protect the state's fish and wildlife resources from disease and parasites.

CHAPTER 675

An act to amend Section 437c of the Code of Civil Procedure, relating to civil actions.

[Approved by Governor August 27, 1976. Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 437c of the Code of Civil Procedure is amended to read:

437c. Any party may move for summary judgment in any action or proceeding if it is contended that the action has no merit or that there is no defense thereto. The motion may be made at any time after 60 days have elapsed since the general appearance in the action or proceeding of each party against whom the motion is directed or at such earlier time after such general appearance as the court, with or without notice and upon good cause shown, may direct. Notice of the motion and supporting papers shall be served on the other party to the action at least 10 days before the time fixed for the hearing. The filing of such motion shall not extend the time within which a party must otherwise file a responsive pleading.

The motion shall be supported or opposed by affidavits, declarations, admissions, answers to interrogatories, depositions and matters of which judicial notice shall or may be taken.

Such motion shall be granted if all the papers submitted show that there is no triable issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. In determining whether the papers show that there is no triable issue as to any material fact the court shall consider all of the admissible evidence set forth in the papers and all inferences reasonably deducible from such evidence, except summary judgment shall not be granted by the court based on inferences reasonably deducible from such evidence, if contradicted by other inferences or evidence, which raise a triable issue as to any material fact.

Supporting and opposing affidavits or declarations shall be made by any person on personal knowledge, shall set forth admissible evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein.

If a party is otherwise entitled to a summary judgment pursuant to the provisions of this section, summary judgment shall not be denied on grounds of credibility or for want of cross-examination of witnesses furnishing affidavits or declarations in support of the summary judgment, except that summary judgment may be denied in the discretion of the court, where the only proof of a material fact offered in support of the summary judgment is an affidavit or declaration made by an individual who was the sole witness to such fact; or where a material fact is an individual's state of mind, or lack thereof, and such fact is sought to be established solely by the individual's affirmation thereof.

If it appears that the proof supports the granting of such motion as to some but not all the issues involved in the action, or that one or more of the issues raised by a claim is admitted, or that one or more of the issues raised by a defense is conceded, the court shall,

by order, specify that such issues are without substantial controversy. At the trial of the action the issue so specified shall be deemed established and the action shall proceed as to the issues remaining.

If it appears from the affidavits submitted in opposition to the motion that facts essential to justify opposition may exist but cannot, for reasons stated, then be presented, the court shall deny the motion, or order a continuance to permit affidavits to be obtained or discovery to be had or may make such other order as may be just.

If the court determines at any time that any of the affidavits are presented in bad faith or solely for purposes of delay, the court shall order the party presenting such affidavits to pay the other party the amount of the reasonable expenses which the filing of the affidavits caused such other party to incur.

Except where a separate judgment may properly be awarded in the action, no final judgment shall be entered on a motion for summary judgment prior to the termination of such action, but the final judgment in such action shall, in addition to any matters determined in such action, award judgment as established by the summary proceeding herein provided for.

A summary judgment entered under this section is an appealable judgment as in other cases.

CHAPTER 676

An act to amend Section 705 of the Streets and Highways Code, relating to state highways.

[Approved by Governor August 27, 1976 Filed with Secretary of State August 28, 1976.]

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

SECTION 1. Section 705 of the Streets and Highways Code is amended to read:

705. In any case in which the department is required under the provisions of this article to pay the cost of removal or relocation of any utility facility, it shall be entitled to credits as follows:

(1) In the amount of any betterment to the utility facility resulting from such removal or relocation, not in excess of the cost of the increased capacity of the facility.

(2) The salvage value of any materials or parts salvaged and retained by the utility.

(3) If a new facility or portion thereof is constructed to accomplish such removal or relocation, an allowance of an amount bearing the same proportion to the original cost of the displaced facility or portion thereof as the age thereof bears to the normal expected life thereof.

A credit shall not be allowed against any portion of the cost which

is otherwise chargeable to the utility.

A credit allowance for age shall not be applied to publicly owned sewers.

CHAPTER 677

An act to amend Sections 15459.1 and 31026 of the Education Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature August 29, 1976.
Filed with Secretary of State August 30, 1976.]

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

SECTION 1. Section 15459.1 of the Education Code is amended to read:

15459.1. As of January 1, 1978, the persons employed as inspectors of record to inspect the construction, reconstruction or alteration of any school building shall be either (a) persons who are registered as construction inspectors in the divisions in which they are to be used, as defined by Section 9101 of the Business and Professions Code or (b) persons who are regularly employed for building code enforcement by the local agency having responsibility for such inspection, and are qualified to perform such inspections under the civil service laws or regulations of such local agency.

Persons employed as assistants to inspectors of record shall be registered construction inspectors or shall be enrolled as inspectors-in-training in the divisions in which they are to be used, as defined by Section 9101.1 of the Business and Professions Code. This section shall not apply to any architect, structural engineer, civil engineer, land surveyor, mechanical engineer, engineering geologist, or electrical engineer, who holds a valid certificate of registration in this state, insofar as he is practicing within the provisions of the law under which he is registered. This section shall not apply to an inspector approved by the Office of Architecture and Construction and employed pursuant to a particular building contract prior to January 1, 1978, during the performance of that building contract.

SEC. 2. Section 31026 of the Education Code is amended to read:

31026. (a) This chapter shall remain operative until December 31, 1979, and after such date shall have no force or effect.

(b) The Legislature shall, at its 1973–74 Regular Session, and each fourth year thereafter, review the matter of California's participation in the Compact for Education to determine whether California should continue to be a party to the compact and thus whether the operation of this chapter should be extended.

SEC. 3. This act is an urgency statute necessary for the

immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that essential school construction will not be delayed due to a shortage of building inspectors having qualifications which would otherwise be required on and after January 1, 1977, it is essential that this act go into effect immediately. Also, in order that this bill extend the effective date of the Compact for Education, it is necessary that it take effect prior to December 31, 1976, at which time the effective period of the compact will otherwise have expired.

CHAPTER 678

An act to amend Sections 33215 and 33247 of, and to repeal Section 33250 of, the Water Code, relating to the Costa Mesa County Water District.

[Became law without Governor's signature August 30, 1976.
Filed with Secretary of State August 30, 1976.]

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

SECTION 1. Section 33215 of the Water Code is amended to read:

33215. The Costa Mesa County Water District is hereby created, which includes the area of the Newport Heights Irrigation District, the Fairview County Water District, the Newport Mesa County Water District, the Newport Mesa Irrigation District, and the portion of the City of Costa Mesa not included in the above districts. The new Costa Mesa County Water District resulting from this merger comprises all of the area in the above named districts and the City of Costa Mesa and the boundaries of the Costa Mesa County Water District are described as follows:

All that certain real property situated in the State of California, County of Orange, described as follows:

Parcel 1. Beginning at the most southerly corner of Lot 919, First Addition to Newport Mesa Tract, as shown on a map recorded in book 8, page 61 of Miscellaneous Maps, Records of Orange County, California; thence North 29° 09' 00" West, 6399.66 feet, more or less, along the southwesterly line of said First Addition to Newport Mesa Tract to the most westerly corner of Lot 1304 of said First Addition to Newport Mesa Tract; thence, North 19° 16' 00" East 1066.56 feet, more or less, along the northwesterly line of said First Addition to Newport Mesa Tract to the northwest corner of said Tract, said corner being on the center line of Nineteenth Street as shown on a map of said First Addition to Newport Mesa Tract; thence, easterly along the center line of Nineteenth Street, to the intersection of the southerly prolongation of the westerly line of Lot 369 of Tract No.

1712, as shown on a map recorded in book 50, pages 32 to 36 of Miscellaneous Maps, Records of Orange County, California; thence, northerly along said westerly line and its southerly prolongation and along the boundary line of said Tract No. 1712 the following bearings and distances as shown on said map: North 0° 32' 53" West 140.00 feet, North 78° 38' 39" West 98.72 feet, North 4° 08' 05" West 166.43 feet, North 25° 13' 11" East 152.55 feet, South 83° 07' 22" East 200.44 feet, North 26° 33' 54" East 107.33 feet, North 11° 18' 36" West 280.45 feet, North 73° 10' 43" East 224.61 feet, South 25° 12' 55" East 255.80 feet, South 0° 32' 53" East 339.48 feet, North 89° 27' 07" East 328.59 feet, North 0° 32' 53" West 49.54 feet, North 22° 32' 10" West 379.16 feet, North 228.89 feet, North 89° 27' 07" East 329.49 feet, North 0° 32' 10" West 260.00 feet, North 89° 27' 07" East 240.00 feet, North 0° 32' 10" West 260.00 feet, North 89° 27' 07" East 298.00 feet, North 0° 32' 10" West 162.91 feet, North 78° 13' 02" West 322.87 feet, North 83° 43' 22" West 201.21 feet, South 14° 37' 15" West 285.24 feet, South 46° 07' 56" West 178.93 feet, South 75° 40' 08" West 261.40 feet, North 33° 39' 12" West 206.14 feet, North 46° 27' 50" East 315.20 feet, North 0° 32' 10" West 178.02 feet, South 89° 27' 41" West 620.00 feet, South 66° 52' 26" West 240.00 feet, North 78° 04' 04" West 61.08 feet, North 21° 56' 42" West 187.00 feet, North 19° 00' 22" East 190.38 feet, North 48° 14' 42" West 299.27 feet, North 354.12 feet to the southerly line of the Fairview Farms Tract, as shown on a map recorded in book 8, page 71 of Miscellaneous Maps, records of Orange County, California; thence, westerly along said southerly line to the northeasterly corner of Tract No. 3470, as shown on a map thereof recorded in Book 124, Pages 5 and 6 of Miscellaneous Maps, Records of Orange County, California; thence, South 0° 33' 00" East along the easterly line of said Tract No. 3470 and the southerly prolongation thereof, 2641.35 feet, to the westerly prolongation of the centerline of Nineteenth Street as shown on the aforementioned map of Fairview Farms; thence, South 89° 28' 00" West, along said westerly prolongation of the centerline of Nineteenth Street, 2503.19 feet, to the easterly line of the Santa Ana River, 300 feet in width, as described in a deed to the Newbert Protection District, recorded June 22, 1911 in Book 197, Page 300 of Official Records of Orange County, California; thence, North 13° 25' 00" East, along said easterly line of the Santa Ana River, 5441.38 feet, to the westerly prolongation of the northerly line of aforementioned Fairview Farms; thence, continuing northerly along said easterly line of the Santa Ana River, North 13° 25' 00" East, 5500.09 feet to a point on a line 50.00 feet northerly of, measured at right angles, and parallel to the centerline of Adams Avenue, as described in a deed to the County of Orange, recorded December 4, 1908 in Book 160, Page 180 of Official Records, Orange County, California; thence, North 89° 16' 24" East, 231.81 feet, along last mentioned parallel line to the easterly line of the Greenville-Banning Channel, as described in a deed to the Orange County Flood Control District, recorded in Book 4367, Pages 346 to 350, inclusive, of Official Records of said Orange County; thence,

North 13° 11' 54" East, along said easterly line of aforementioned Greenville-Banning Channel, 767.56 feet, to the beginning of a tangent curve, concave easterly, having a radius of 22,538.30 feet; thence, northerly along said curve and said easterly line of the Greenville-Banning Channel, to its intersection with the southerly line of Gisler Avenue; thence, westerly along the southerly line of Gisler Avenue to the easterly line of the aforementioned Santa Ana River; thence, northerly along said easterly line of the Santa Ana River to the northerly line of MacArthur Boulevard 60 feet in width (formerly Talbert Avenue); thence, easterly along said northerly line and the easterly prolongation of said northerly line to a point 40.00 feet easterly of the centerline of Harbor Boulevard; thence, southerly along a line parallel with and 40 feet easterly of said centerline to the southerly line of Sunflower Avenue (formerly Huntzinger Avenue), 40 feet wide; thence, easterly along said southerly line to a point distant thereon 1262.80 feet from the centerline of Harbor Boulevard to an angle point in the existing boundary of the City of Costa Mesa as created by Parcel No. 2 of Resolution No. 71-30; thence, North 0°46'51" West, 40.00 feet to a point on a line parallel with and 20.00 feet northerly of said centerline of Sunflower Avenue; thence, North 89°11'09" East, along said parallel line a distance of 2289.31 feet, to a point on a line parallel with and 30.00 feet westerly of the centerline of Fairview Road; thence, North 0°09'24" East, along said parallel line a distance of 178.18 feet; thence, North 89°26'11" East, 812.86 feet; thence, North 75°50'45" East, 46.30 feet to a point on a tangent curve concave southeasterly and having a radius of 1040.00 feet; thence, northeasterly along said curve through a central angle of 3°50'51" an arc distance of 69.84 feet, to a point, a radial line to said point bears North 10°18'24" West; thence, North 89°26'11" East, 226.07 feet; thence, north 89°22'06" East, 2083.69 feet to a point, said point being on a non-tangent curve concave southwesterly, having a radius of 1040.00 feet, a radial line to said point bears North 9°06'41" East; thence, southeasterly along said curve through a central angle of 6°11'58" an arc distance of 112.53 feet; thence, North 89°22'06" East, 1411.10 feet to a point on the centerline of Bear Street; thence, South 0°22'08" East, along said centerline of Bear Street, 772.35 feet to a point on a line parallel to and 12.00 feet northerly, measured at right angles from the centerline of Sunflower Avenue; thence, North 89°17'10" West, along said parallel line 2582.37 feet, more or less, to the West right-of-way line of the Santa Ana-Delhi Flood Control Channel as shown on Map No. F01-5, of Orange County Flood Control District; thence, North 0°40'04" West, 13.00 feet along said West right-of-way line, to a point on a line parallel to and 25.00 feet northerly, measured at right angles from the centerline of Sunflower Avenue; thence, North 89°44'11" East, 708.15 feet along last said parallel line to an angle point in said parallel line; thence, East 4003.48 feet along last said parallel line to a point, said point being the intersection of a line that is parallel with and 33.00 feet easterly from the centerline of Main Street as granted

to the County of Orange by Deed recorded in Book 250, Page 73 of Official Records of Orange County, California, with a line that is parallel with and 25.00 feet northerly from the centerline of Sunflower Avenue; thence, South 0°20'45" East, 872.16 feet along a line parallel with and 33.00 feet easterly from said centerline of Main Street, to a point on the southeasterly line of Newport Avenue, 60.00 feet in width, as granted to the County of Orange by Deed recorded in Book 250, Page 73 of Official Records of Orange County, California; thence, southwesterly along said southeasterly line of Newport Avenue to a point on the northeasterly line of Lot 134, Block 7, Irvine's Subdivision in the County of Orange, State of California, as shown on a map thereof, recorded in Book 1, Page 88 of Miscellaneous Maps, Records of Orange County, California; thence, along said northeasterly line, South 49°21'19" East, 1410.00 feet to a point in the centerline of Redhill Avenue, 100.00 feet in width, as granted to the County of Orange by Deed recorded in Book 7148, Page 205 of Official Records of said County; thence, along the centerline of said Redhill Avenue, South 40°38'28" West, 442.61 feet; thence, departing said centerline of Redhill Avenue, South 49°22'15" East, 55.00 feet; thence, North 43°48'32" East, 880.50 feet to the southwesterly right-of-way line of the San Diego Freeway; thence, South 85°26'23" East, 142.05 feet along said southwesterly right-of-way line to the beginning of a tangent curve, concave southwesterly and having a radius of 1700.00 feet; thence, southeasterly along said curve through a central angle of 24°03'45", 713.95 feet to a point of tangency; thence, South 61°22'38" East, 43.48 feet; thence, South 61°11'45" East, 2376.41 feet, more or less, along said right-of-way line to an intersection with the northwesterly right-of-way line of MacArthur Boulevard, 100 feet wide, as described in the Deed to the County of Orange recorded January 10, 1963, in Book 6389, Page 641, of Official Records of said County; thence, South 29°15'38" West, 4142.58 feet along said right-of-way line and the easterly line of that certain land described as Parcel Nos. G.A. 1121–38 and 38.1 in the Deed to the County of Orange, California, recorded March 19, 1964, in Book 6968, Page 337, of Official Records of said County, to the beginning of a tangent curve, concave southeasterly and having a radius of 1250.00 feet; thence, southwesterly 351.89 feet along said curve through a central angle of 16°07'46" to a tangent line; thence, South 13°07'52" West, 64.51 feet, more or less, along said tangent line to an intersection with a non-tangent curve, to which a radial bears North 4°38'46" West, concave southerly and having a radius of 1240.00 feet, said non-tangent curve being the northerly right-of-way line of a curve connecting realigned Acacia Street with Paularino Avenue as described in the Deed to the County of Orange, California, recorded January 2, 1963 in Book 6380, Page 88 of Official Records of said County; thence, westerly and southwesterly 809.79 feet, more or less, along said curve and its southwesterly prolongation through a central angle of 37°25'03" to an intersection with a non-tangent line, to which

a radial bears North 42°03'49" West, said non-tangent line being the northwesterly line of Campus Drive (formerly Acacia Street), 60.00 feet wide, described as Parcel 2 in the Deed to the County of Orange, California, recorded July 15, 1940 in Book 1055, Page 115 of Official Records of said County; thence, South 40°39'17" West, 4219.23 feet, more or less, along said northwesterly line and the northwesterly extension of said northwesterly line to a point on the centerline of Palisades Road, said point also being on the southwesterly line of Lot 143, Block 6 of the aforementioned Irvine's Subdivision; thence, northwesterly along said centerline of Palisades Road to the centerline intersection of Santa Ana Avenue and Palisades Road as shown on a Parcel Map recorded in Book 7, Page 44 of Parcel Maps, Records of Orange County, California; thence, North 50°11'57" West, along said centerline of Palisades Road, 190.00 feet, to the northeasterly prolongation of the northwesterly line of Parcel 1, as shown on said Parcel Map; thence, South 39°48'22" West, 190.00 feet along the northwesterly boundary line of Parcel 1, as shown on said Parcel Map; thence, South 50°11'57" East, 190.00 feet along the southwesterly boundary line of Parcel 1, as shown on said Parcel Map to a point on the centerline of Santa Ana Avenue; thence, South 39°48'22" West, 272.13 feet along said centerline to the easterly line of the Santa Ana Delhi Channel easement; thence, leaving said centerline, along said easterly easement line North 70°19'08" West, 898.31 feet to the beginning of a tangent curve, concave northeasterly, having a radius of 100.00 feet; thence, northwesterly and northerly along said curve, through a central angle of 53°17'00" an arc distance of 93.00 feet; thence, continuing along said easement line North 12°57'52" East, 400.48 feet to a point on the centerline of Palisades Road; thence, northwesterly along said centerline as granted to the County of Orange by Deed recorded in Book 2352, Page 389 of Official Records of Orange County, California, to a point on the southeasterly line of Newport Avenue, 60.00 feet in width, as granted to the County of Orange by Deed recorded in Book 250, Page 73 of Official Records of Orange County; thence, southwesterly along said southeasterly line of Newport Avenue to the centerline of 23rd Street; thence, southeasterly along the centerline of 23rd Street to the centerline of Tustin Avenue; thence, southwesterly along the centerline of Tustin Avenue to the centerline of 22nd Street; thence, southeasterly along the centerline of 22nd Street to the centerline of Irvine Avenue; thence, southwesterly along the centerline of Irvine Avenue to the centerline of 16th Street; thence, northwesterly along the centerline of 16th Street to the centerline of Tustin Avenue; thence, southwesterly along the centerline of Tustin Avenue to the centerline of 15th Street; thence, northwesterly along the centerline of 15th Street to the easterly line of a 100 foot right-of-way granted to the Santa Ana Railroad, a Corporation, by Deed dated October 10, 1889 and recorded in Book 10, Page 117, of Deeds, Records of said Orange County, California; thence, southwesterly along said easterly line to the westerly prolongation of the northerly line of Lot 5 of

Tract No. 1136, as shown on a map recorded in Book 37, Pages 18 and 19 of Miscellaneous Maps of said Orange County, California; thence, easterly along said westerly prolongation of the northerly line of said Lot 5 to the easterly line of State Highway, also known as County Highway; thence, southerly along said easterly line to the southerly line of State Highway 1 (ORA 60-A), 100.00 feet in width; thence, westerly along said southerly line to the northwesterly line of Irvine's Subdivision, as shown on a map thereof recorded in Book 1, Page 88, of Miscellaneous Maps of said Orange County, California; thence, northeasterly along said northwesterly line to the southeasterly prolongation of the southwesterly line of Lot 919 of said First Addition to the Newport Mesa Tract; thence, northwesterly to the Point of Beginning.

Excepting therefrom all that certain real property situated in the County of Orange, State of California, owned by Hoag Memorial Hospital-Presbyterian, a corporation, described as:

A portion of Lot 172 Block 1, Lot 169 Block 2, and Lot 170 Block 2, of Irvine Subdivision, as per map recorded in Book 1, Page 88, Miscellaneous Maps, records of Orange County, California, and more particularly described as follows:

Beginning at the point of intersection of the northerly line of the West Ramp of the California State Highway described as second in the Deed recorded June 12th, 1931, in Book 489, Page 67 of Official Records, with the northwesterly line of the 60 foot right-of-way of the California State Highway, described in the Deed recorded June 30th, 1934, in Book 683, Page 248 of Official Records; thence northeasterly along the northwesterly line of said 60 foot right-of-way, a distance of 1371.39 feet; thence West 1019.26 feet to a point, said point being distant 518.21 feet South 60°20'54" East from the most westerly corner of Lot One Hundred Sixty-nine in Block Two of Irvine Subdivision, as shown on a map recorded in Book 1, Page 88 of Miscellaneous Maps, records of Orange County, California; thence South 10°30'46" East 190.75 feet; thence in a southeasterly direction along a curve concave to the northeast, having a radius of 1000 feet and through an angle of 12°50'04" a distance of 224 feet; thence South 23°20'50" East 253.42 feet; thence southeasterly along a curve concave to the northeast having a radius of 409.51 feet through an angle of 15°41'02" a distance of 112.10 feet; thence southeasterly along a reversed curve concave to the southwest having a radius of 514.46 feet through an angle of 12°30'43" a distance of 112.34 feet; thence South 26°31'09" East 584.24 feet to a point in a curve of the northwesterly line of said West Ramp of the California State Highway as described in said Deed recorded in Book 489, Page 67 of Official Records, said curve being concave to the South and having a radius of 450 feet, a line radial to curve at this point, bears North 12°47'01" West; thence easterly along said curve through an angle of 19°51'06" a distance of 155.91 feet to the point of beginning. The above 20 acre described parcel is shown on a Record of Survey, filed in Book 15, Page 30, Record of Surveys, Orange County, California.

Also, excepting therefrom that portion of Lot 5, Block "E", and Lot 6, Block "E" of the Berry Tract as shown on a map thereof, recorded in Book 30, Page 74 of Miscellaneous Records of Los Angeles County, California, described as follows:

Beginning at the intersection of the centerline of Bear Street and the centerline of Paularino Avenue as shown on Tract Map 4894, Miscellaneous Map, Book 172, Pages 31 and 32; thence, South 89°49'34" East along the centerline of Paularino Avenue a distance of 528.21 feet, more or less, to a point, said point being the southwest corner of Tract 4894; thence, South 0°29'25" West a distance of 33.00 feet to a point on the southerly line of Paularino Avenue, 66 feet wide, said point being the northwest corner of Lot 6, Block "E" of said Berry Tract; thence, South 89°49'35" East along the southerly line of Paularino Avenue, said line being contiguous with the northerly line of Lot 6, Block "E" of said Berry Tract, a distance of 105.60 feet, more or less, to the True Point of Beginning; thence, continuing South 89°49'35" East along said southerly line of Paularino Avenue a distance of 209.32 feet, more or less; thence, departing from said southerly line of Paularino Avenue, parallel with the East line of said Lot 6, South 0°12'08" West, a distance of 379.50 feet, more or less, to a point distant 412.50 feet, measured at right angles, northerly of the centerline of Baker Street; thence, parallel with said centerline of Baker Street, South 89°48'12" East, a distance of 86.20 feet; thence, parallel with the East line of said Lot 6, North 0°12'08" East, a distance of 379.53 feet, more or less, to the southerly line of said Paularino Avenue; thence, South 89°49'35" East along said southerly line a distance of 651.10 feet, more or less, to a point distant thereon 3.80 feet westerly of the northeast corner of Lot 5, Block "E" of said Berry Tract; thence, southerly parallel to the East line of said Lot 5 to a point, said point being 412.50 feet northerly of the centerline of Baker Street, 80.00 feet wide; thence, North 89°48'15" West along a line parallel to said centerline of Baker Street 101.80 feet; thence, South 0°14'35" West along a line parallel to the easterly line of Lot 5, of said Block "E", Berry Tract, to the northerly line of said Baker Street, a distance of 372.50 feet; thence, westerly along said northerly line to a point on the westerly line of aforementioned Lot 6, Berry Tract; thence, northerly along said westerly line to a point, said point being 379.50 feet, more or less, southerly of the southerly line of aforementioned Paularino Avenue; thence, South 89°49'35" East along a line parallel to the said southerly line, a distance of 105.60 feet; thence, North 0°29'25" East, 379.50 feet, more or less, to the True Point of Beginning.

Parcel 2. Beginning at a point on the center line of Santa Isabel Avenue, distant thereon North 50°11'45" West, 30.00 feet from the southwesterly prolongation of the southeasterly line of Lot 114, Tract No. 300 as shown on a map thereof, recorded in Book 14, Pages 11 and 12 of Miscellaneous Maps, Records of Orange County, California; thence, South 39°49'25" West, along a line 30.00 feet northwesterly of, measured at right angles, and parallel with the southeasterly line of

Lot 105, Tract No. 300, 157.00 feet; thence, North 50°11'45" West, 300.00 feet; thence, North 39°49'25" East, 157.00 feet, to the centerline of said Santa Isabel Avenue; thence, North 50°11'45" West, 660.00 feet to the southwesterly prolongation of the northwesterly line of the southeasterly 330 feet of Lot 113 of said Tract No. 300; thence, North 39°48'45" East, along said southwesterly prolongation and said northwesterly line of the southeasterly 330 feet of Lot 113, Tract No. 300 and the northwesterly line of the southeasterly 330 feet of Lot 116 of said Tract No. 300, 1320.00 feet, to the centerline of Monte Vista Avenue, 60.00 feet in width as shown on said map of Tract No. 300; thence, South 50°11'45" East along said centerline of Monte Vista Avenue, 594.00 feet, to the northeasterly prolongation of the southeasterly line of the northwesterly half of the southeasterly 132 feet of the northwesterly 330 feet of Lot 115, of said Tract No. 300; thence, South 39°48'45" West along last mentioned northeasterly prolongation and last mentioned southeasterly line, 330 feet to the northeasterly line of the southwesterly 330 feet of the southeasterly 66 feet, of the northwesterly 330 feet of said Lot 115, Tract No. 300; thence, South 50°11'45" East along last mentioned northeasterly line, 66.00 feet to the southeasterly line of said southwesterly 330 feet of the southeasterly 66 feet, of the northwesterly 330 feet of Lot 115; thence, South 39°48'45" West, along last mentioned southeasterly line and the southeasterly line of the northwesterly 330 feet of Lot 114 of said Tract No. 300, 462.00 feet to the northwesterly line of the southwesterly 132 feet of the northeasterly 264 feet of the southeasterly one-half of said Lot 114, Tract No. 300; thence, South 50°11'45" East along last mentioned northeasterly line, 300.00 feet to a line 30 feet northwesterly of, measured at right angles, and parallel with the southeasterly line of said Lot 114, Tract No. 300; thence, South 39°48'45" West, along said parallel line, 528.00 feet to the Point of Beginning.

SEC 2. Section 33247 of the Water Code is amended to read:

33247. The Board of Directors of the Costa Mesa County Water District shall, by January 1, 1977, adopt a resolution dividing the Costa Mesa County Water District into five divisions as nearly equal in population as practicable for the purpose of electing directors thereafter by divisions, as provided in Article 1 (commencing at Section 30730) of Chapter 2, Part 4, Division 12 of the Water Code.

SEC. 3. Section 33250 of the Water Code is repealed.

SEC 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because this act is in accordance with the request of a local government entity or entities which desires legislative authority to act to carry out the program specified in this act.

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CHAPTER 679

An act to amend Section 5604 of the Welfare and Institutions Code, relating to mental health.

[Became law without Governor's signature August 30, 1976.
Filed with Secretary of State August 30, 1976.]

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

SECTION 1. Section 5604 of the Welfare and Institutions Code is amended to read:

5604. (a) Each community mental health service shall have an advisory board of 17 members appointed by the governing body except that such boards in counties with a population of less than 100,000 may have a minimum of 11 members. One member of the advisory board shall be the chairman of the local governing body. Not less than 51 percent of the members of the advisory board shall be persons representative of the public interest in mental health; provided, however, that not less than one-half of the members representing the public interest shall be persons or the parents, spouse, or adult children of persons, who have received mental health services. The advisory board shall contain two physicians, one of whom shall specialize in psychiatry, and the remaining members shall be selected from among the following disciplines: psychology, social work, nursing, education, marriage and family counseling, psychiatric technology, criminal justice, hospital or community mental health facility administration, and fiscal management. For members not representing the public interest, the governing body shall appoint persons representing different disciplines. The chairman of a governing body may designate a member of that body to serve in his stead as a member of the advisory board.

(b) The term of each member of the board shall be for three years; provided, however, that of the members first appointed to a board with 17 members, six shall be appointed for one year, six for a term of two years, and five for a term of three years. For members appointed to boards of less than 17 members, the governing body shall equitably stagger the appointments so that approximately one-third of the appointments shall be for one year, one-third for two years, and one-third for three years. For the members first appointed as a result of the amendment to this section by the 1975–76 Regular Session of the Legislature, one-third shall be for a term of one year, one-third for a term of two years, and one-third for a term of three years. If, however, prior to the expiration of such term a member ceases to retain the status which qualified the person for appointment on the board, the membership on the board shall terminate and there shall be a vacancy on the board.

(c) If two local agencies jointly establish a community health service under Article 1 (commencing with Section 6500) of Chapter

5 of Division 7 of Title 1 of the Government Code, the advisory board for such community mental health service shall consist of an additional two members, one of whom shall be the chairman of the second governing body, such that the chairmen of both local agencies are members, and the second of whom shall be an additional person or a parent, spouse, or adult child of a person who has received mental health services.

(d) No member of the advisory board or his or her spouse shall be a full-time or part-time county employee of the county mental health service, an employee of the State Department of Health, an employee of the Department of Benefit Payments, or an employee of a Short-Doyle contract facility.

(e) If it is not possible to secure membership as specified from among persons who reside in the county, the governing body may substitute representatives of the public interest in mental health who are not full-time or part-time employees of the county mental health service, the State Department of Health, the Department of Benefit Payments, or on the staff of a Short-Doyle contract facility.

CHAPTER 680

An act to amend Sections 73772, 73773, and 73779 of the Government Code, relating to courts.

[Became law without Governor's signature August 30, 1976.
Filed with Secretary of State August 30, 1976.]

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

SECTION 1. Section 73772 of the Government Code is amended to read:

73772. There shall be one clerk, who shall be the administrative officer of the court and who shall receive an annual salary recommended by the municipal court and approved by the board of supervisors.

Any change in the salaries in effect immediately prior to January 1, 1977, shall be on an interim basis and shall expire on January 1 of the second calendar year after the calendar year in which the change occurs, unless ratified by the Legislature.

SEC. 2. Section 73773 of the Government Code is amended to read:

73773. (a) The clerk, with the approval of the judges of said court, may appoint one chief deputy clerk, 12 deputy clerks grade V, four deputy clerks grade IV, 16 deputy clerks grade III, 12 deputy clerks grade II, seven deputy clerks grade I, and seven intermediate typists and such other employees as the board of supervisors approve upon the recommendation of the municipal court, each of whom shall receive a salary recommended by the municipal court and

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approved by the board of supervisors. Any appointee shall be compensated at the first step and advance to each higher step upon completion of each year of service. Upon the recommendation of the municipal court and approval of the board of supervisors, such employees may be employed at or may be granted a special step increase to any step within the salary range on the basis of experience or qualifications.

(b) Any change in the salaries in effect immediately prior to January 1, 1977, shall be on an interim basis and shall expire on January 1 of the second calendar year after the calendar year in which the change occurs, unless ratified by the Legislature.

SEC. 3. Section 73779 of the Government Code is amended to read:

73779. Notwithstanding the provisions of Article 4 (commencing with Section 72150) of Chapter 8 of this title and the provisions of this article, and in order to equalize the compensation of employees of the municipal court with the compensation paid to county employees with commensurate duties and responsibilities, upon recommendation of the clerk of the court with the approval of the judges of the court and the Board of Supervisors of the County of Marin, an officer or an attaché of the court, whether appointed under the provisions of this article or under Article 4 (commencing with Section 72150) of Chapter 8 of this title, may be paid any compensation in excess of or less than the maximum to which such employee would otherwise be entitled; provided, that any such salary adjustment shall expire on January 1 of the second calendar year after the calendar year in which the adjustment is made.

CHAPTER 681

An act to amend Sections 205.5, 255 and 256 of the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

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

SECTION 1. Section 205.5 of the Revenue and Taxation Code, as amended by Chapter 47 of the Statutes of 1976, is amended to read:

205.5. (a) Property which is owned by, and which constitutes is the principal place of residence of a veteran is exempt from taxation on that part of the assessed value of the residence that does not exceed ten thousand dollars ($10,000), if the veteran, because of injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled.

(b) For purposes of this section, "veteran" is defined as specified in subdivision (a) of Section 3 of Article XIII of the Constitution

without regard to any limitation contained therein on the value of property owned by the veteran or the veteran's spouse.

(c) No veteran shall be eligible for this exemption unless he or she was a resident of California at the time of his or her entry into military or naval service, or unless he or she was a resident of the state on November 7, 1972, if he or she is blind or has lost the use of two or more limbs, or on January 1, 1975, if he or she is totally disabled; provided however, that no veteran who met a corresponding residency requirement under the law in effect prior to January 1, 1975 shall lose eligibility as the result of changes in residency requirement effective on January 1, 1975 or thereafter.

(d) Property which is owned by and which constitutes the principal place of residence of the unmarried surviving spouse of a veteran is exempt from taxation on that part of the assessed value of the residence that does not exceed ten thousand dollars ($10,000), provided that the deceased veteran during his or her lifetime qualified in all respects for the exemption under laws in effect during his or her lifetime.

(e) As used in this section, "property which is owned by a veteran" or "property which is owned by the veteran's unmarried surviving spouse" includes:

(1) Property owned by the veteran with the veteran's spouse as a joint tenancy, tenancy in common or as community property;

(2) Property owned by the veteran or the veteran's spouse as separate property;

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran's spouse, or both the veteran and the veteran's spouse;

(4) Property owned by the veteran's unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran's unmarried surviving spouse;

(5) So much of the property of a corporation as constitutes the principal place of residence of a veteran or a veteran's unmarried surviving spouse when the veteran, or the veteran's spouse, or the veteran's unmarried surviving spouse is a shareholder of the corporation and the rights of shareholding entitle one to the possession of property, legal title to which is owned by the corporation. The exemption provided by this subsection shall be shown on the local roll and shall reduce the assessed value of the corporate property. Notwithstanding any provision of law or articles of incorporation or bylaws of a corporation described in this subsection, any reduction of property taxes paid by such corporation shall reflect an equal reduction in any charges by such corporation to the person who, by reason of qualifying for the exemption made possible such reduction for the corporation.

(f) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and

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being totally disabled means that the United States Veterans Administration or the military service from which such veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(g) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of the veteran's exemption provided by subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution and any other real property tax exemption to which the claimant may be entitled. No other real property tax exemption may be granted to any other person with respect to the same residence for which an exemption has been granted under the provisions of this section, provided that if two or more veterans qualified pursuant to this section coown a property in which they reside, each is entitled to the exemption to the extent of his or her interest.

SEC. 2. Section 255 of the Revenue and Taxation Code is amended to read:

255. (a) Affidavits required for exemptions named in this article, except the church exemption, the veterans' exemption, and the homeowners' exemption, shall be filed with the assessor between the lien date and 5 o'clock p.m. on March 15. Affidavits for the veterans' exemption shall be filed with the assessor between the lien date and 5 o'clock p.m. on April 15.

(b) Affidavits for the homeowners' exemption except as otherwise provided in Sections 255.1, 255.2, and 275, shall be filed with the assessor any time after the claimant becomes eligible but no later than 5 o'clock p.m. on April 15.

(c) Affidavits required for classification of vessels as documented vessels eligible for assessment under Section 227 shall be filed with the assessor between the lien date and 5 o'clock p.m. on April 1.

(d) Affidavits for the church exemption shall be filed with the assessor between the lien date and 5 o'clock p.m. on March 31.

SEC. 2. Section 256 of the Revenue and Taxation Code is amended to read:

256. (a) The affidavit for church exemption shall show that:

(1) The building and equipment are used solely for religious worship.

(2) The land claimed as exempt is required for the convenient use of the building.

(b) Each year before the lien date, county assessors shall mail a claim form for the church exemption to all recipients of such exemption in the prior year, except where the prior recipient has transferred title to the property since the prior lien date.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by

it by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not place a financial burden on local government.

SEC. 4. In conformity with Section 6 of Article XIII of the Constitution of the State of California, this act shall have prospective application only.

CHAPTER 682

An act to repeal Division 9 (commencing with Section 16000) of the Water Code, relating to the Bay Area Sewage Services Agency.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976]

The people of the State of California do enact as follows:

SECTION 1. Division 9 (commencing with Section 16000) of the Water Code is repealed.

SEC. 2. Upon and after the effective date of Section 1 of this act, the Bay Area Sewage Services Agency shall be dissolved, its existence shall be terminated and all other corporate powers shall cease, except for those powers to be exercised by the successor to such agency for the sole purpose of winding up the affairs of such agency as hereinafter provided by this act.

SEC. 3. For the sole purpose of winding up the affairs of the Bay Area Sewage Services Agency, the successor to such agency shall be the County Auditor of the County of Alameda.

SEC. 4. Upon the effective date of dissolution of the Bay Area Sewage Services Agency, control over all of the moneys or funds (including cash on hand and the moneys due but uncollected) and all property, real or personal, of such dissolved agency shall be vested in the successor for the sole purpose of winding up the affairs of such agency.

SEC. 5. As soon as possible after January 1, 1977, the successor shall conduct an audit of the agency's financial record and shall determine all of such agency's assets and liabilities.

SEC. 6. For the sole and exclusive purpose of winding up the affairs of such dissolved agency, the successor shall have the following powers and duties:

(a) To sell or otherwise dispose of all property, real and personal, of such dissolved agency.

(b) To compromise and settle claims of every kind and nature against such dissolved agency.

Such powers and duties shall commence on January 1, 1977, and shall continue thereafter until such time as the affairs of such dissolved agency shall have been completely wound up.

SEC. 7. Any moneys, funds, and property of such dissolved

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agency and any moneys or funds received by the successor from the sale or other distribution of any property, real or personal, of such dissolved agency shall be disposed of as provided in this section and Section 8.

Each county which, in whole or in part, was within the jurisdiction of such agency on January 1, 1977, shall receive a proportionate share of the assets of such agency. The share of the assets to be received by each respective county shall be equal to the percentage which that county's contribution to such agency during the 1975–76 fiscal year bears to the total contribution to such agency from all bay area counties for the 1975–76 fiscal year.

A county, at its option, may elect to accept personal property belonging to such agency as a portion of its share of the assets of such agency. The successor shall determine the value of such personal property for the purpose of apportioning such agency's assets as required by this section.

If a county, during the 1975–76 fiscal year, apportioned all or part of its apportioned share of the costs and expenses of the agency among local agencies within such county pursuant to the provisions of Section 16809 of the Water Code, such county shall divide any moneys received pursuant to this section between such local agencies in the proportions that the individual contribution of each such local agency bears to the total contribution received by such county pursuant to Section 16809 during such fiscal year.

SEC. 8. The successor shall be entitled to, and shall be reimbursed for, actual and necessary expenses incurred in carrying out the responsibilities required by this act. Such expenses shall be paid to the successor from the assets of such agency prior to the distribution of the assets of the agency as required by Section 7.

SEC. 9. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act authorizes a revenue source, or makes local governments eligible for a revenue source, that may be utilized by local governments to cover the cost of the mandate.

CHAPTER 683

An act to amend Section 11105 of the Penal Code, relating to criminal records.

[Approved by Governor August 30, 1976 Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11105 of the Penal Code is amended to read:

11105. (a) (1) The Department of Justice shall maintain state summary criminal history information.

(2) As used in this section:

(i) "State summary criminal history information" means the master record of information compiled by the Attorney General pertaining to the identification and criminal history of any person, such as name, date of birth, physical description, date of arrests, arresting agencies and booking numbers, charges, dispositions, and similar data about such person.

(ii) "State summary criminal history information" does not refer to records and data compiled by criminal justice agencies other than the Attorney General, nor does it refer to records of complaints to or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice.

(b) The Attorney General shall furnish state summary criminal history information to any of the following, when needed in the course of their duties, provided that when information is furnished to assist an agency, officer, or official of state or local government, a public utility, or any entity, in fulfilling employment, certification, or licensing duties, the provisions of Chapter 1321 of the Statutes of 1974 and of Section 432.7 of the Labor Code shall apply:

(1) The courts of the state.

(2) Peace officers of the state as defined in Section 830.1, subdivisions (a) and (b) of Section 830.2, subdivisions (a), (b), and (k) of Section 830.3, subdivisions (a), (b), and (c), of Section 830.5, and Section 830.5a.

(3) District attorneys of the state.

(4) Prosecuting city attorneys of any city within the state.

(5) Probation officers of the state.

(6) Parole officers of the state.

(7) A public defender or attorney of record when representing a person in proceedings upon a petition for a certificate of rehabilitation and pardon pursuant to Section 4852.08 of the Penal Code.

(8) A public defender or attorney of record when representing a person in a criminal case and when authorized access by statutory or decisional law.

(9) Any agency, officer, or official of the state when such criminal history information is required to implement a statute or regulation that expressly refers to specific criminal conduct applicable to the subject person of the summary criminal history information, and contains requirements or exclusions, or both, expressly based upon such specified criminal conduct.

(10) Any city or county, or city and county, or district, or any officer, or official thereof when access is needed in order to assist such agency, officer, or official in fulfilling employment, certification,

or licensing duties, and when such access is specifically authorized by the city council, board of supervisors or governing board of the city, county, or district when such criminal history information is required to implement a statute, ordinance, or regulation that expressly refers to specific criminal conduct applicable to the subject person of the summary criminal history information, and contains requirements or exclusions, or both, expressly based upon such specified criminal conduct.

(11) The subject of the state summary criminal history information under procedures established under Article 5 (commencing with Section 11120), Chapter 1, Title 1 of Part 4 of the Penal Code.

(12) Any person or entity when access is expressly authorized by statute when such criminal history information is required to implement a statute or regulation that expressly refers to specific criminal conduct applicable to the subject person of the summary criminal history information, and contains requirements or exclusions, or both, expressly based upon such specified criminal conduct.

(13) Health officers of a city, county, or city and county, or district, when in the performance of their official duties enforcing Section 3110 of the Health and Safety Code.

(c) The Attorney General may furnish state summary criminal history information upon a showing of a compelling need to any of the following, provided that when information is furnished to assist an agency, officer, or official of state or local government, a public utility, or any entity, in fulfilling employment, certification, or licensing duties, the provisions of Chapter 1321 of the Statutes of 1974 and of Section 432.7 of the Labor Code shall apply:

(1) Any public utility as defined in Section 216 of the Public Utilities Code which operates a nuclear energy facility when access is needed in order to assist in employing persons to work at such facility, provided that, if the Attorney General supplies such data, he shall furnish a copy of such data to the person to whom the data relates.

(2) To a peace officer of the state other than those included in subdivision (b).

(3) To a peace officer of another country.

(4) To public officers (other than peace officers) of the United States, other states, or possessions or territories of the United States, provided that access to records similar to state summary criminal history information is expressly authorized by a statute of the United States, other states, or possessions or territories of the United States when such information is needed for the performance of their official duties.

(5) To any person when disclosure is requested by a probation, parole, or peace officer with the consent of the subject of the state summary criminal history information and for purposes of furthering the rehabilitation of the subject.

(6) The courts of the United States, other states or territories or possessions of the United States.

(7) Peace officers of the United States, other states, or territories or possessions of the United States.

(8) To any individual who is the subject of the record requested when needed in conjunction with an application to enter the United States or any foreign nation.

(d) Whenever an authorized request for state summary criminal history information pertains to a person whose fingerprints are on file with the Department of Justice and the department has no criminal history of that person, and the information is to be used for employment, licensing, or certification purposes, the fingerprint card accompanying such request for information, if any, may be stamped "no criminal record" and returned to the person or entity making the request.

(e) Whenever state summary criminal history information is furnished pursuant to this section, the Department of Justice may charge the person or entity making the request a fee which it determines to be sufficient to reimburse the department for the cost of furnishing such information. Any state agency required to pay a fee to the department for information received under this section may charge the applicant a fee sufficient to reimburse the agency for such expense. All moneys received by the department pursuant to this section, Section 12054 of the Penal Code, and Section 13588 of the Education Code shall be deposited in a special account in the General Fund to be available for expenditure by the department to offset costs incurred pursuant to such sections when appropriated by the Legislature therefor.

(f) Whenever there is a conflict, the processing of criminal fingerprints shall take priority over the processing of applicant fingerprints.

(g) It is not a violation of this section to disseminate statistical or research information obtained from a record, provided that the identity of the subject of the record is not disclosed.

(h) It is not a violation of this section to include information obtained from a record in (1) a transcript or record of a judicial or administrative proceeding or (2) any other public record when the inclusion of the information in the public record is authorized by a court, statute, or decisional law.

CHAPTER 684

An act to amend Section 1528 of the Health and Safety Code, relating to community care facilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares that facilities providing child day care services, both publicly and privately financed, serve a necessary and valuable function in the state's economy by enabling parents to obtain and maintain employment and to avoid dependence on public assistance.

The Legislature further declares that the licensing and regulation of facilities providing these services as established by the California Community Care Facilities Act constitutes the minimum acceptable level of state protection necessary to assure the health, safety, and well-being of children receiving day care services, and that the recent administrative reduction in the State Department of Health's licensing, inspection, and evaluation capability with respect to such facilities is likely to result in a higher incidence of conditions and services in day care facilities for children which adversely affect the health, safety, and well-being of children.

The Legislature further declares that the State Department of Health's failure to conduct its licensing, inspection, and evaluation of child day care centers and services in accordance with established standards is likely to encourage a proliferation of inadequate care marked by higher incidences of inadequate space, inadequate fire safety standards, untrained and unqualified staff, child neglect, and even child abuse, with a greater likelihood that such unlawful practices will remain free from discovery and prosecution.

SEC. 2. Section 1528 of the Health and Safety Code is amended to read:

1528. (a) Evaluations, pursuant to Sections 1534 and 1535, of care and services of a day care facility for children shall be limited to health and safety considerations and shall not include any evaluations of the content of any educational or training program of the facility. Such evaluations shall be conducted not less than once every two years.

(b) The state department shall maintain a program to carry out the licensing, inspection, and evaluation activities for day care facilities for children in order that the health and safety of children receiving such services is protected. The state department shall maintain staff of adequate size and expertise to carry out the licensing, inspection, and evaluation program for day care facilities for children in order that the health and safety of children receiving services is protected. The state department shall license and inspect day care facilities for children in accordance with the provisions of this chapter and shall not maintain a self-certification and inspection program with respect to such facilities. Nothing in this section shall preclude the state department from contracting with other agencies for services pursuant to Section 1511 in lieu of performing services directly.

SEC. 3. There is hereby appropriated from the General Fund the sum of two million four hundred thirty-seven thousand six hundred four dollars ($2,437,604) in accordance with the following schedule:

Schedule:

(a) To the State Department of Health in augmentation of Item 271 of the Budget Act of 1975 for carrying out Section 1528 of the Health and Safety Code $284,084

(b) To the Department of Finance for allocation by the Director of Finance, upon determination of need by the Director of Finance, to the State Department of Health for carrying out Section 1511 of the Health and Safety Code ..... $2,153,520.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of this act relating to the licensing, inspection, and evaluation of day care facilities for children may become effective at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 685

An act to amend Sections 17800.2 and 17821 of the Business and Professions Code, relating to family counseling services.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 17800.2 of the Business and Professions Code is amended to read:

17800.2. For the purposes of this chapter, the practice of marriage, family and child counseling shall mean that service performed with individuals, couples, or groups wherein interpersonal relationships between spouses or members of a family are examined for the purpose of achieving more adequate, satisfying, and productive marriage and family adjustments. Such practice includes premarriage counseling.

The application of marriage, family and child counseling principles and methods includes, but is not limited to, the use of applied psychotherapeutic techniques, to enable individuals to mature and grow within marriage and the family, and the provision of explanations and interpretations of the psychosexual and

psychosocial aspects of relationships within a marriage and family.

A marriage, family and child counselor may use hypnosis in the course of performing marriage, family and child counseling provided that he can demonstrate experience in the clinical use of hypnosis which satisfies the criteria established by the board. The criteria shall include evidence of (a) coursework in hypnosis from qualified instructors and (b) experience in a clinical setting using hypnosis under the supervision of a physician, dentist, or licensed psychologist.

SEC. 2. Section 17821 of the Business and Professions Code is amended to read:

17821. In addition to the grounds contained in Section 17820 the board shall revoke the license of any person, other than a physician and surgeon who uses or offers to use drugs in the course of performing marriage, family, or child counseling services.

CHAPTER 686

An act to amend Section 126 of the Government Code, relating to cession of concurrent jurisdiction to the United States within land held by the United States and used for federal purposes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 126 of the Government Code is amended to read:

126. Notwithstanding any other provision of law, general or special, the Legislature of California hereby cedes concurrent criminal jurisdiction to the United States within land held by the United States upon and subject to each and all of the following express limitations, conditions, and reservations, in addition to any other limitations, conditions, or reservations prescribed by law:

(a) The lands must be held by the United States for the erection of forts, magazines, arsenals, dockyards, and other needful buildings, or other public purpose within the purview of clause 17 of Section 8 of Article I of the Constitution of the United States, or for the establishment, consolidation and extension of national forests under the provisions of the act of Congress approved March 1, 1911, (36 Stat. 961) known as the "Weeks Act," or for any other federal purposes.

(b) The cession must be pursuant to and in compliance with the laws of the United States.

(c) The United States must in writing have requested the state to cede concurrent criminal jurisdiction within such land and subject to

each and all of the conditions and reservations in this section and in Section 4 of Article XIV of the Constitution prescribed.

(d) The State Lands Commission is authorized for the state to cede concurrent criminal jurisdiction to the United States, upon having found and declared that the conditions and reservations prescribed in subdivisions (a), (b), (c), and (g) of this section have occurred and exist and that such cession is in the interest of the state. Certified copies of its orders or resolutions making such findings and declarations shall be filed in the office of the Secretary of State and recorded in the office of the county recorder of each county in which any part of the land is situated. The purposes for which such concurrent criminal jurisdiction is ceded shall be specified in and made a part of such orders or resolutions.

(e) Jurisdiction ceded pursuant to this section continues only so long as the land continues to belong to the United States and is held by it for the purpose for which jurisdiction is ceded in accordance and in compliance with each and all of the limitations, conditions, and reservations in this section prescribed, or for five years, whichever period is less.

(f) "Land held by the United States", as used in this section means: (1) lands acquired in fee by purchase or condemnation, (2) lands owned by the United States that are included in the military reservation by presidential proclamation or act of Congress, (3) leaseholds acquired by the United States over private lands or state-owned lands, and (4) any other lands owned by the United States including, but not limited to, public domain lands which are held for a public purpose.

(g) In ceding such concurrent criminal jurisdiction, the Legislature and the state reserve jurisdiction over the land, water and use of water with full power to control and regulate the acquisition, use, control and distribution of water with respect to the land affected by such cession.

(h) In ceding concurrent criminal jurisdiction, the Legislature and the state except and reserve to the state all deposits of minerals, including oil and gas, in the land, and to the state, or persons authorized by the state, the right to prospect for, mine, and remove such deposits from the land.

(i) Concurrent criminal jurisdiction shall vest when certified copies of the State Lands Commission's orders or resolutions, making such finding or declaration, have been filed in the office of the Secretary of State and recorded in the office of the county recorder of each county in which any part of the lands is situated.

The finding and declaration of the State Lands Commission provided for in subdivision (d) of this section shall be made only after a public hearing. Notice of such hearing shall be published pursuant to Section 6061 in each county in which the land or any part thereof is situated and a copy of such notice shall be personally served upon the clerk of the board of supervisors of each such county. The State Lands Commission shall make rules and regulations governing the

conditions and procedure of such hearings, which shall provide that the cost of publication and service of notice and all other expenses incurred by the commission shall be borne by the United States.

The provisions of this section do not apply to any land or water areas heretofore or hereafter acquired by the United States for migratory bird reservations in accordance with the provisions of Sections 10680 to 10685, inclusive, of the Fish and Game Code.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Serious law enforcement problems exist within a number of national monuments of the United States located throughout the state. Local law enforcement personnel in the affected areas are not sufficient to deal with the problems presented. Federal authorities do not have sufficient authority to act without a cession of criminal jurisdiction by the state. Federal law enforcement personnel are available for assignment to the affected monuments upon such a cession of criminal jurisdiction. No statutory authority exists for the transfer of criminal jurisdiction to the federal government in the instant circumstances. The following entities by formal action have urged the prompt granting of concurrent criminal jurisdiction to the federal government to alleviate this serious problem: National Park Service, United States Department of Interior, Shasta County Board of Supervisors, Marin County Board of Supervisors, Modoc County Board of Supervisors, San Benito County Sheriff's office, Siskiyou County Sheriff's office, and Monterey County Sheriff's office.

For the foregoing reasons it is imperative that this bill which provides for cessions of concurrent criminal jurisdiction in such situations as those presented go into effect as early as possible. Thereby, a means to provide for the public peace, health, and safety in such situations will be assured.

CHAPTER 687

An act to amend Section 1229 of the Health and Safety Code, relating to clinics.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1229 of the Health and Safety Code is amended to read:

1229. Each application for a license under this chapter shall be accompanied by a fee determined by the director by regulation based on a percentage of the annual gross operating cost for the clinic

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and in an amount to cover the costs of administering this chapter, except that:

(a) The initial license fee for a new clinic or upon change of ownership for an existing clinic shall be a flat fee determined by the director.

(b) The license fee for a new, renewal, or change of ownership license of a free clinic shall not be more than twenty-five dollars ($25). A free clinic is a clinic operated by a nonprofit corporation which does not charge or collect any fee directly from patients for services.

Each license issued under this chapter shall expire 12 months from the date of its issuance. Application for renewal of license accompanied by the necessary fee shall be filed with the department not less than 10 days prior to the expiration date each year. Failure to make a timely renewal shall result in expiration of the license.

CHAPTER 688

An act to amend Section 13997 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 13997 of the Education Code is amended to read:

13997. Time during which a member is excused from performance of his duties, such as but not limited to, sick leave, holidays, or vacation, whether or not he is required to perform any portion of such duties during such time, and for which he receives compensation, including disability from any insurance carrier of his employer, under the Labor Code on account of industrial injury or disease, in an amount less than the full compensation earnable by him while performing his duties when not so excused, shall be credited as service in the proportion that the compensation paid to the member bears to the full compensation which would be earnable by him while performing his duties on a full-time basis. For purposes of this article, any certificated employee on a sabbatical leave as provided under Section 13457 receives full-time service credit for time spent on such leave, after July 1, 1956, or any certificated employee who is absent to participate in any program under the Federal Mutual Educational and Cultural Exchange Program (Ch. 33 (commencing with Sec. 2451), Title 22, U.S.C.) shall receive full-time service credit for time spent on such absence, after January 1, 1977, providing the member pays to the system additional contributions based on the compensation, which is the difference between

compensation earned, if any, and the compensation earnable during the period of sabbatical leave or absence, in the amount of:

(a) Eight percent of such compensation as employer and state cost of granting service credit, and

(b) The member's regular contribution rate as applied to such compensation. Regular interest shall be due on all contributions required under this section from the end of the school year during which the sabbatical leave or absence was taken until date of payment of such contributions.

The employing school district may pay the amount required as employer and state costs in subdivision (a).

CHAPTER 689

An act to amend Sections 33050, 33435, 33436, and 33724 of the Health and Safety Code, relating to discrimination.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 33050 of the Health and Safety Code is amended to read:

33050. It is hereby declared to be the policy of the state that in undertaking community redevelopment projects under this part there shall be no discrimination because of race, color, religion, sex, marital status, national origin, or ancestry.

SEC. 2. Section 33435 of the Health and Safety Code is amended to read:

33435. Agencies shall obligate lessees and purchasers of real property acquired in redevelopment projects and owners of property improved as a part of a redevelopment project to refrain from restricting the rental, sale, or lease of the property on the basis of race, color, religion, sex, marital status, ancestry, or national origin of any person. All deeds, leases, or contracts for the sale, lease, sublease, or other transfer of any land in a redevelopment project shall contain or be subject to the nondiscrimination or nonsegregation clauses hereafter prescribed.

SEC. 3. Section 33436 of the Health and Safety Code is amended to read:

33436. Express provisions shall be included in all deeds, leases and contracts which the agency proposes to enter into with respect to the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of any land in a redevelopment project in substantially the following form:

(a) In deeds the following language shall appear—"The grantee herein convenants by and for himself, his heirs, executors,

administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(b) In leases the following language shall appear—"The lessee herein convenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through him, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(c) In contracts entered into by the agency relating to the sale, transfer, or leasing of land or any interest therein acquired by the agency within any survey area or redevelopment project the foregoing provisions in substantially the forms set forth shall be included and such contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

SEC. 4. Section 33724 of the Health and Safety Code is amended to read:

33724. All property of the renewal area agency, and all property of persons participating in the rebuilding or rehabilitation of the renewal area or who derive any benefit from the rebuilding or rehabilitation, shall be sold, transferred, leased, purchased, acquired, administered and managed without discrimination on account of race, color, creed, religion, sex, marital status, ancestry or national origin.

CHAPTER 690

An act to amend Section 12851 of the Education Code, relating to schools, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

I am deleting the $50,000 appropriation contained in Section 2 of Assembly Bill No 2945.

I believe the money necessary to complete this study can be obtained from the Department's existing resources.

With the above deletion, I approve Assembly Bill No. 2945.

EDMUND G. BROWN JR , Governor

The people of the State of California do enact as follows:

SECTION 1. Section 12851 of the Education Code is amended to read:

12851. The Superintendent of Public Instruction shall perform an analysis of selected schools to identify educational factors which produce the distinction between unusually high-performing districts and unusually low-performing districts, such performance as measured by standard measures of school achievement.

The schools selected for study shall be comparable in social and demographic characteristics and shall vary only on student attainment.

The study shall last three calendar years so that variables discovered the first year may be verified the second and third years.

The Superintendent of Public Instruction shall report to the Legislature by January 5, 1975, on the identification and description of those socioeconomic, financial, and educational variables affecting school performance which tend to distinguish between unusually high-performing districts and unusually low-performing districts. By January 5, 1976, the Superintendent of Public Instruction shall issue a report to the Legislature including information regarding the verifiability of the relative impact of the variables discovered during the first year of the study.

By July 1, 1976, the Superintendent of Public Instruction shall submit a study plan to the Legislature indicating: (1) the additional data that will be collected and analyzed in order to explain the operation of the educational variables identified in previous reports pursuant to this section; and (2) the Department of Education's plan for disseminating the results of this study to schools throughout the state, and for using the results of this study to improve educational programs.

By January 5, 1978, he shall submit a final report including findings regarding the variables of interest.

SEC. 2. The sum of fifty thousand dollars ($50,000) is hereby

appropriated from the General Fund in the State Treasury to the Superintendent of Public Instruction for the costs incurred by the Superintendent of Public Instruction in the administration of the program specified pursuant to Section 12851 of the Education Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit the Superintendent of Public Instruction to have additional time to study the variables relating to district performance, and so make the final report more complete and more useful, it is necessary that this act take effect immediately.

CHAPTER 691

An act to add and repeal Article 3 (commencing with Section 18030) to Chapter 1 of Part 1 of Division 5 of Title 2 of the Government Code, relating to part-time employment, and making an appropriation therefor.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 3 (commencing with Section 18030) is added to Chapter 1 of Part 1 of Division 5 of Title 2 of the Government Code, to read:

Article 3. Part-Time Employment

18030. "Part-time employment," as used in this article, means employment in positions which require not more than 32 hours of work per week, and includes arrangements involving job sharing, four-, five-, or six-hour workdays, jobs which provide eight hours of employment or less for one, two, three, four or five days per week, and such other arrangements which the State Personnel Board and the Department of Motor Vehicles find consistent with maximum employment opportunity to persons unable to work a standard workweek.

18031. It is the policy of the state that a proportion of classes at various salary levels be available on a part-time employment basis to individuals who are unable, or who do not desire, to work standard working hours on a full-time basis. In order to establish the feasibility of such a project, the Department of Motor Vehicles shall conduct a pilot program in the department. The Department of Motor Vehicles and State Personnel Board shall evaluate and report back to the Governor and the Legislature on the progress of the pilot program.

18032. (a) The Department of Motor Vehicles shall adopt and maintain procedures, continuously conduct activities and projects, and undertake such other efforts as may be appropriate to carry out the provisions of this article. The State Personnel Board may provide consultation regarding rules and regulations necessary to carry out the provisions of this article.

(b) The pilot program shall begin January 1, 1977, and shall end on January 1, 1979, unless a later enacted statute, which is chaptered before January 1, 1979, deletes or extends such date. The State Personnel Board and Department of Motor Vehicles shall report on the progress of the project to the Governor and the Legislature on July 1, 1977, January 1, 1978, July 1, 1978, and January 1, 1979. The State Personnel Board report shall include recommendations on the expansion of the program to other state departments.

18033. (a) No full-time class or position which is occupied by an employee shall be abolished or reduced in hours without the voluntary consent of the employee holding that position.

(b) Nothing in this article shall impair the employment or employment rights or benefits of any employee.

18034. In counting the number of employees the Department of Motor Vehicles employs for purposes of any personnel ceiling, an employee employed on a part-time employment basis shall be counted as a fraction which is determined by dividing 40 hours into the average number of hours that employee works each week.

18035. If, on the effective date of this article, a collective-bargaining agreement is in effect with respect to positions occupied by employees which establishes the number of hours of employment in a week, then this article shall not apply to those positions.

18036. This article shall be known and may be cited as the "Part-Time Employment Pilot Program".

18037. This article shall remain in effect only until January 1, 1979, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1979, deletes or extends such date.

SEC. 2. The sum of thirty-seven thousand six hundred dollars ($37,600) is hereby appropriated from the Motor Vehicle Account in the State Transportation Fund to the Department of Motor Vehicles for expenditure during the 1976–77 fiscal year to implement the provisions of Article 3 (commencing with Section 18030) of Chapter 1 of Part 1 of Division 5 of Title 2 of the Government Code.

CHAPTER 692

An act to amend Sections 653o and 653p of the Penal Code, and to add Section 6 to Chapter 1200 of the 1971 Statutes, relating to endangered species.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 653o of the Penal Code is amended to read:

653o. It is unlawful to import into this state for commercial purposes, to possess with intent to sell, or to sell within the state, the dead body, or any part or product thereof, of any alligator, crocodile, polar bear, leopard, ocelot, tiger, cheetah, jaguar, sable antelope, wolf (Canus lupus), zebra, whale, cobra, python, sea turtle, colobus monkey, kangaroo, vicuna, sea otter, free-roaming feral horse, dolphin or porpoise (Delphinidae), Spanish lynx, or elephant.

Any person who violates any provision of this section is guilty of a misdemeanor and shall be subject to a fine of not less than one thousand dollars ($1,000) and not to exceed five thousand dollars ($5,000) or imprisonment in the county jail for not to exceed six months, or both such fine and imprisonment, for each violation.

SEC. 2. Section 653p of the Penal Code is amended to read:

653p. It is unlawful to possess with the intent to sell, or to sell, within the state, the dead body, or any part or product thereof, of any species or subspecies of any fish, bird, mammal, amphibian, reptile, mollusk, invertebrate, or plant, the importation of which is illegal under the Federal Endangered Species Act of 1973 (Title 16, United States Code Sec. 1531 et seq.) and subsequent amendments, or under the Marine Mammal Protection Act of 1972 (Title 16, United States Code Sec. 1361 et seq.), or which is listed in the Federal Register by the Secretary of the Interior pursuant to the above acts. The violation of any federal regulations adopted pursuant to the above acts shall also be deemed a violation of this section and shall be prosecuted by the appropriate state or local officials.

SEC. 3. Section 6 is added to Chapter 1200 of the 1971 Statutes, to read:

Sec. 6. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act or other state statutes enforcing federal wildlife laws or protecting endangered species, and to this end the provisions of this act are severable and independent from other Fish and Game Code and Penal Code sections.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because

the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

SEC. 5. Section 1 of this act shall become operative June 1, 1977. No provision of law shall prohibit the possession with intent to sell, or sale of the dead body, or any part or product thereof, of any elephant prior to June 1, 1977, or the possession with intent to sell or the sale of any such item on or after such date which was imported prior to the effective date of this act.

The burden of proof to demonstrate that such item or items were imported prior to the effective date of this act shall be placed upon the defendant.

CHAPTER 693

An act to amend Sections 31913 and 31913.5 of the Education Code, relating to family physician training, and making an appropriation therefor.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 31913 of the Education Code is amended to read:

31913. There is hereby created a Health Manpower Policy Commission. The commission shall be composed of nine members who shall serve at the pleasure of their appointing authorities:

(a) Seven members appointed by the Governor, as follows: one representative of the University of California medical schools, from a nominee or nominees submitted by the University of California; one representative of the private medical schools accredited in California from individuals nominated by each of such schools; one representative of practicing family physicians; one representative of undergraduate medical students in a family practice program or residence in family practice training; one representative of trainees in a primary care physician's assistant program or a practicing physician's assistant; one representative of trainees in a primary care nurse practitioners program or a practicing nurse practitioner; and one representative of the State Department of Health, from *nominees submitted by the director.*

(b) Two consumer representatives of the public who are not elected or appointed public officials, one appointed by the Speaker of the Assembly and one appointed by the Chairman of the Senate Rules Committee.

(c) The Chief of the Health Manpower Development Section, or his designee, shall serve as executive secretary for the commission.

SEC. 2. Section 31913.5 of the Education Code is amended to read:

31913.5. The duties of the commission shall be:

(a) To determine specific areas of the state where unmet priority needs for primary care family physicians exist.

(b) To establish standards for family practice training programs and family practice residency programs and programs which train primary care physician's assistants and programs which train primary care nurse practitioners, including appropriate provisions to encourage family physicians and primary care physician's assistants and primary care nurse practitioners who receive training in accordance with this article to provide needed services in areas of unmet need within the state. Standards for family practice residency programs shall provide that all such residency programs contracted for pursuant to this article shall (i) meet the American Medical Association's "Essentials" for Residency Training in Family Practice and (ii) be approved by the Residency Review Committee for Family Practice of the American Medical Association. Every program shall include a component of training designed for medically underserved multicultural communities, lower socioeconomic neighborhoods, or rural communities, and shall be organized to prepare family physicians or primary care physician's assistants or primary care nurse practitioners for service in such neighborhoods and communities. Medical schools receiving funds under this article shall have programs or departments that recognize family practice as a major independent specialty. Existence of a written agreement of affiliation or association between a hospital and an accredited medical school shall be regarded by the commission as a favorable factor in considering recommendations to the director for allocation of funds appropriated to the state medical contract program established under this article.

(c) To review and make recommendations to the Director of Health concerning the funding of family practice programs or departments, family practice residencies and programs for the training of primary care physician's assistants and primary care nurse practitioners which are submitted to the Health Manpower Development Section, for participation in the contract program established by this article. Where the commission determines that a program proposal which has been approved for funding or which is the recipient of funds under this article does not meet the standards established by the commission, it shall submit to the Director of Health and the Legislature a report detailing its objections. The commission may request the Department of Health to make advance allocations for program development costs from amounts appropriated for the purposes of this article.

(d) To establish contract criteria and single per-student and per-resident capitation formulas which shall determine the amounts

to be transferred to institutions receiving contracts for the training of family practice students and residents and primary care physician's assistants and primary care nurse practitioners pursuant to this article, except as otherwise provided in subdivision (e). Institutions applying for or in receipt of contracts pursuant to this article may appeal to the director for waiver of these single capitation formulas. The director may grant such waiver in exceptional cases upon a clear showing by the institution that a waiver is essential to the institution's ability to provide a program of a quality comparable to those provided by institutions which have not received waivers, taking into account the public interest in program cost-effectiveness. Recipients of funds appropriated by this article shall, as a minimum, maintain the level of expenditure for family practice or primary care physician's assistant or family care nurse practitioner training provided by such recipients during the 1973–74 fiscal year. Funds appropriated by this article shall be used to develop new programs or to expand existing programs and shall not replace funds supporting current family practice training programs. Institutions applying for or in receipt of contracts pursuant to this article may appeal to the director for waiver of this maintenance of effort provision. The director may grant such waiver if he determines that there is reasonable and proper cause to grant such waiver.

(e) To review and make recommendations to the Director of Health concerning the funding of special programs which may be funded on other than a capitation rate basis. Such special programs may include the development and funding of the training of primary health care teams of family practice residents or family physicians and primary care physician's assistants or primary care nurse practitioners; undergraduate medical education programs in family practice; and programs which link training programs and medically underserved communities in California which appear likely to result in the location and retention of training program graduates in such communities. Such special programs may include also the development phase of new family practice residency, primary care physician's assistant or primary care nurse practitioner programs.

The commission shall establish standards and contract criteria for special programs recommended under this paragraph.

(f) To review and evaluate these programs regarding proper compliance with the provisions of this article and to submit annual progress reports to the Legislature on or before September 30 of each year. One standard for evaluation shall be the number of recipients who, after completing the program, actually go on to serve in areas of unmet priority for primary care family physicians in California.

SEC. 3. There is hereby appropriated from the General Fund to the State Department of Health the total sum of one million seven hundred seventy-five thousand dollars ($1,775,000) for expenditure during the 1977–78, 1978–79, 1979–80, and 1980–81 fiscal years, to be expended as follows:

(a) The sum of one million six hundred seventy-five thousand dollars ($1,675,000) shall be allocated for contracts with accredited medical schools, programs which train primary care physician's assistants, programs which train primary care nurse practitioners, and with hospitals or other health care delivery systems located in California which meet the standards of the Health Manpower Policy Commission established pursuant to Article 8 (commencing with Section 31910) of Chapter 5 of Division 22 of the Education Code.

(b) The sum of one hundred thousand dollars ($100,000) is allocated without regard to fiscal years, for the period July 1, 1977, through September 30, 1981, for the purposes of insuring proper administration and evaluation of the training programs contracted for pursuant to Article 8 (commencing with Section 31910) of Chapter 5 of Division 22 of the Education Code. Such funds may also be utilized to conduct research related to policy and funding of other health manpower training and delivery approaches to better meet health care delivery needs in California.

CHAPTER 694

An act to add Section 2606.4 to the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2606.4 is added to the Unemployment Insurance Code, to read:

2606.4. Notwithstanding Section 632, "employment" for purposes of this part also means service performed as a clerk-carrier in the employ of the United States Postal Service, to the extent Congress permits this part to be applicable to the postal service, and if Congress permits the states to require the postal service to withhold workers' contributions and to transmit those contributions into a state fund for unemployment compensation disability benefits.

SEC. 2. This bill shall not take effect unless the 94th Congress enacts H.R. 13341.

CHAPTER 695

An act relating to traffic safety education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 30, 1976. Filed with Secretary of State August 30, 1976]

Although I have serious reservations about the effectiveness of traffic safety programs, I am willing to let the pilot program called for in this bill proceed, provided grant money is available.

Accordingly, I am deleting the $200,000 appropriation contained in Section 8 (a) and the $550,000 appropriation contained in Section 8 (b) of Assembly Bill No. 1386.

With this deletion, I approve Assembly Bill No. 1386.

Sincerely,

EDMUND G. BROWN JR., Governor

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares that traditional instructional sources of traffic safety education information and guidance for young people are often inadequate or absent; and that the public schools shall undertake necessary methods to insure public safety and accident prevention at all grade levels; and that such methods shall include pedestrian and passenger safety, bicycle, motorcycle, and automobile instruction courses.

SEC. 2. The Department of Education, with the cooperation of, and in consultation with, the California Highway Patrol, the Department of Motor Vehicles, and the Office of Traffic Safety, shall establish standards governing traffic safety education. The traffic safety education standards shall include instruction at the appropriate elementary and secondary grade levels, as well as in adult schools, concerning public safety and accident prevention, which shall include pedestrian, passenger, bicycle, motorcycle, and automobile instruction. In addition, such standards shall emphasize the prevention of the use of alcohol, narcotics and dangerous drugs, and shall be designed to meet multilingual instruction requirements.

SEC. 3. The Superintendent of Public Instruction may select not more than 10 school districts to participate in a pilot program in traffic safety education in the 1976–77 and 1977–78 school years. The pilot program shall be conducted in accordance with guidelines adopted by the Department of Education.

SEC. 4. The Department of Education, in cooperation with the California Highway Patrol, the Department of Motor Vehicles, and the Office of Traffic Safety, shall conduct an evaluation, or contract for such an evaluation by an independent and impartial private entity, of the pilot programs conducted pursuant to Section 3 and submit a report to the Legislature as soon as possible after the close of the 1976–77 school year.

SEC. 5. The Superintendent of Public Instruction may employ such personnel as are necessary in order to carry out the provisions of this act.

SEC. 6. The courses of study shall provide instruction at the appropriate grade levels of traffic safety education which may be integrated into present curricula and teaching programs. Traffic safety education shall include instruction in public safety and

accident prevention, including relevant local traffic ordinances and state laws which pertain to pedestrians, passengers, bicycles, motorcycles and automobiles.

SEC. 7. Prior to implementation of Section 3 of this act the Department of Education shall provide in-service training for elementary and secondary school teachers in traffic safety education.

SEC. 8. There is hereby appropriated from the Driver Training Penalty Assessment Fund surplus to the General Fund and from the General Fund to the Department of Education for expenditure for the purposes of this act the following amounts:

(a) The sum of two hundred thousand dollars ($200,000) for expenditure during the 1976–77 fiscal year.

(b) The sum of five hundred fifty thousand dollars ($550,000) for expenditure during the 1977–78 fiscal year.

Any funds hereby appropriated for expenditure during the 1976–77 and 1977–78 fiscal years which are not expended during such years may be expended during the 1978–79 fiscal year for the purposes set forth in Section 4 of this act.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit this act to operate effectively and to facilitate the orderly administration of traffic safety education courses in pilot programs as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 696

An act to amend Section 13140.5 of the Health and Safety Code, relating to fire protection.

[Became law without Governor's signature August 31, 1976.
Filed with Secretary of State August 31, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 13140.5 of the Health and Safety Code is amended to read:

13140.5. The board shall be composed of the following voting members: the State Fire Marshal, the State Forester, the Supervisor of the California Fire Service Training Program, the Chief of the Fire and Rescue Division, Office of Emergency Services, a representative of the insurance industry, four fire chiefs, four fire service labor representatives, one representative from city government, and one representative from county government.

The following members shall be appointed by the Governor: a representative of the insurance industry, four fire chiefs, four fire

service labor representatives, one representative from city government, and one representative from county government. Each member appointed shall be a resident of this state. Three of the fire chiefs appointed to the board shall be selected from a list of names recommended by the Board of Directors of the California Fire Chiefs' Association, Inc. and one fire chief shall be selected from a list of names submitted by the California Metropolitan Fire Chiefs. The four fire service labor representatives shall be selected from a list of names recommended by employee organizations representing fire service employees with organization memberships exceeding 12,000, but not more than one fire service labor representative shall be selected from among persons recommended by any one of such employee organizations, unless each such organization is represented on the membership of the board. The city government representative shall be selected from elected or appointed city chief administrative officers. The county government representative shall be selected from elected or appointed county chief administrative officers. Such appointed members, except those first appointed, shall be appointed for a term of four years. Of the members first appointed seven shall be appointed for a term of two years and four shall be appointed for a term of four years. Any member chosen by the Governor to fill a vacancy created other than by expiration of a term shall be appointed for the unexpired term of the member he is to succeed.

CHAPTER 697

An act to amend Sections 14225, 14226, 14227, and 14228 of the Education Code, relating to the State Teachers' Retirement System.

[Became law without Governor's signature August 31, 1976. Filed with Secretary of State August 31, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 14225 of the Education Code is amended to read:

14225. Any retirant who retired for service, whose last employment as a member of the system prior to such retirement was in the California State University and Colleges, may, without reinstatement from retirement or any loss or interruption of benefits under this chapter, serve as a member of the teaching staff of the California State University and Colleges for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the retirant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the

minimum, nor exceed that paid by the employer to other employees performing comparable duties.

SEC. 2. Section 14226 of the Education Code is amended to read:

14226. Any retirant who is retired for service may be employed in a position requiring certification qualifications for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the retirant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment does not operate to reinstate the retirant as a member of this system, or to terminate or suspend his retirement allowance, and no deduction shall be made from his salary as contributions to this system. The retirant may be reemployed only if able to pass a physical examination prescribed by the State Board of Education.

At the end of each month in which a retirant performed service in a position requiring membership in the system, the employer or other authorized agency shall report to the system the retirant's name, social security number and salary.

A certificate from a physician or surgeon licensed under Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code showing that he has submitted to and passed a physical examination within the immediately preceding 12-month period and filed with the county superintendent, or, in the case of a retirant to be employed as a substitute in a position requiring certification qualifications at the California School for the Deaf or the California School for the Blind, filed with the State Department of Education, shall be conclusive evidence of his passing the physical examination required by this section.

SEC. 3. Section 14227 of the Education Code is amended to read:

14227. A disabilitant may be employed in a position requiring certification qualifications for not more than 120 days or earn more than five thousand dollars ($5,000), whichever occurs first, unless the disabilitant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment does not operate to terminate or suspend his disability allowance except as provided in Section 14220 and 14220.5, and no deduction shall be made from his salary as contributions to this system.

SEC. 4. Section 14228 of the Education Code is amended to read:

14228. Effective July 1, 1972, a retirant receiving a disability retirement which was effective prior to July 1, 1972, may be employed in a position requiring certification qualification for not more than 120 days or earn more than five thousand dollars ($5,000),

whichever occurs first, unless the retirant has skills needed in performing specialized work of limited duration provided that such service does not exceed a total earnings of five thousand dollars ($5,000) in any one fiscal year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment does not operate to terminate or suspend his disability retirement allowance except as provided in Sections 14215 and 14220 and no deductions shall be made from his salary as contributions to this system.

CHAPTER 698

An act to amend Sections 73483, 73484, 73487, 73488, 73489, 73706, 73710, 73712, 74192, 74193, 74194, 74195, 74803, 74804, 74807, and 74808 of, and to add Section 74195.5 to, the Government Code, relating to courts.

[Became law without Governor's signature August 31, 1976. Filed with Secretary of State August 31, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 73483 of the Government Code is amended to read:

73483. The clerk may appoint:

(a) One deputy clerk IV who shall be assistant administrative officer and chief deputy.

(b) Three deputy clerks III.

(c) Four deputy clerks II.

(d) Six deputy clerks I.

SEC. 2. Section 73484 of the Government Code is amended to read:

73484. There shall be one marshal who shall receive the biweekly salary specified in range 47.0 as set forth in the biweekly salary schedule contained in Section 73486.

Whenever the salary of the class of lieutenant in the service of San Joaquin County is adjusted, the salary of the marshal shall be adjusted by an amount equivalent to that of the said class of lieutenant. Any adjustment shall be effective only until January 1 of the second year following the year in which the adjustment is made, unless ratified by the Legislature.

SEC. 3. Section 73487 of the Government Code is amended to read:

73487. Persons employed in any of the positions authorized by this article shall be paid the salary assigned to the following ranges as set forth in the salary schedule contained in Section 73486, except that if the range shown opposite the title of the position includes a

fraction then the person employed in such position shall be paid a salary equal to that shown opposite said fractional range in the salary ordinance of the County of San Joaquin:

Position	Range
(a) Deputy clerk I	29.0
(b) Deputy clerk II	31.0
(c) Deputy clerk III	33.0
(d) Deputy clerk IV	36.25
(e) Clerk	41.25
(f) Clerk-typist II	29.0
(g) Deputy marshal	40.0

Subject to the provisions of the salary ordinance of the County of San Joaquin, each person employed in the clerk's office or marshal's office may receive an annual increase in salary of one step on his assigned range until the employee reaches the maximum step on the range assigned for his position. Thereafter no additional step increase shall be granted.

SEC. 4. Section 73488 of the Government Code is amended to read:

73488. Certain classes of positions herein authorized are equated for purposes of salary adjustments with certain classifications in the service of San Joaquin County and whenever the salary of a classification in the service of San Joaquin County is adjusted by the board of supervisors, the salary of the related classes of court positions shall be adjusted by a percentage which is equivalent to the increase or decrease in the salary of the related class in the classified service of the County of San Joaquin. Such adjustments shall be effective as of the same date that salary adjustments for the related classes in said classified service are made effective by action of the board of supervisors but such adjustments shall be effective only until January 1 of the second year following the year in which such adjustments are made, unless ratified by the Legislature.

SEC. 5. Section 73489 of the Government Code is amended to read:

73489. For purposes of salary adjustments required by Section 73488, the following classes are deemed to be related:

(a) The class of clerk-typist II in the service of the County of San Joaquin and the classes of deputy clerk I, deputy clerk II, deputy clerk III, and clerk-typist II in the court positions.

(b) The class of superior court clerk in the service of San Joaquin County and the classes of deputy clerk IV and clerk in the court positions.

(c) The class of deputy sheriff I in the service of San Joaquin County and the class of deputy marshal in the court.

(d) The class of lieutenant in the service of San Joaquin County and the position of marshal in the court.

SEC. 6. Section 73706 of the Government Code is amended to read:

73706. There shall be one marshal who shall receive the biweekly salary specified in range 47.0 as set forth in the biweekly salary schedule contained in Section 73709. Whenever the salary of lieutenant in the service of the County of San Joaquin is adjusted, the salary of the marshal shall be adjusted by an amount equivalent to that of such class of lieutenant. Any adjustment shall be effective only until January 1 of the second year following the year in which the adjustment is made, unless ratified by the Legislature.

SEC. 7. Section 73710 of the Government Code is amended to read:

73710. Persons employed in any of the positions authorized by this article shall be paid the salary assigned to the following ranges as set forth in the salary schedule contained in Section 73709, except that if the range shown opposite the title of the position includes a fraction then the person employed in such position shall be paid a salary equal to that opposite said fractional range in the salary ordinance of the County of San Joaquin.

Position	Range
(a) Chief deputy clerk	40.5
(b) Deputy clerk III	33.0
(c) Deputy clerk II	31.0
(d) Deputy clerk I	29.0
(e) Clerk	41.25
(f) Clerk-typist II	29.0
(g) Senior deputy marshal	42.25
(h) Deputy marshal	40.0

Subject to the provisions of the salary ordinance of the County of San Joaquin, each person employed in the clerk's office or the marshal's office may receive an annual increase in salary of one step on his assigned range until the employee reaches the maximum step on the range assigned for his position. Thereafter no additional step increase shall be granted.

SEC. 8. Section 73712 of the Government Code is amended to read:

73712. Certain classes of positions herein authorized are equated for purposes of salary adjustments with certain classifications in the service of San Joaquin County and whenever the salary of a classification in the service of the County of San Joaquin is adjusted by the board of supervisors, the salary of the related classes of court positions shall be adjusted by a percentage which is equivalent to the increase or decrease in the salary of the related class in the classified service of the County of San Joaquin. Such adjustments shall be effective as of the same date that salary adjustments for related classes in said classified service are made effective by action of the board of supervisors but such adjustments shall only be effective until January 1 of the second year following the year in which such

adjustments are made, unless ratified by the Legislature.

SEC. 9. Section 74192 of the Government Code is amended to read:

74192. (a) There shall be one clerk and administrator who shall be appointed by the judges of the court and who shall be secretary of the court. The clerk and administrator shall receive a biweekly salary at a rate specified in range A51. Appointment to such position shall be at step C. The position of clerk and administrator shall not be deemed to be a civil service position.

(b) There shall be one administrative assistant to the court who shall be appointed by the judges of the court and who shall hold office at their pleasure and perform such duties as may be required of him by the court or the judges. The administrative assistant to the court shall receive a biweekly salary at a rate specified in range 744. The position of administrative assistant to the court shall not be deemed to be a civil service position.

(c) There shall be one senior administrative analyst for the court who shall be appointed by the judges of the court and who shall hold office at their pleasure and perform such duties as may be required of him by the court or the judges. The senior administrative analyst for the court shall receive a biweekly salary at a rate specified in range 928. Appointment to such position shall be at step C. The position of senior administrative analyst shall not be deemed to be a civil service position.

(d) There shall be three senior legal stenographers for the court who shall be appointed by the judges of the court and who shall perform such duties as may be required by the court or the judges. The senior legal stenographer for the court shall receive a biweekly salary at a rate specified in range 471. The position of senior legal stenographer shall not be deemed to be a civil service position.

(e) There shall be one senior deputy clerk for the court who shall be appointed by the judges of the court and who shall perform such duties as may be required of him by the court or the judges. The senior deputy clerk for the court shall receive a biweekly salary at a rate specified in range 430. The position of senior deputy clerk for the court shall not be deemed to be a civil service position.

(f) There shall be one stenographer-clerk III for the court who shall be appointed by the judges of the court and who shall perform such duties as may be required of him by the court or the judges. Each stenographer-clerk III for the court shall receive a salary at a rate specified in range 356. The position of stenographer-clerk III for the court shall not be deemed to be a civil service position.

(g) There shall be two legal research assistants who shall be appointed by the judges of the court and who shall perform such duties as may be required by the court or the judges. Each legal research assistant shall receive a salary at a rate specified in range 496. The position of legal research assistant shall not be deemed to be a civil service position.

SEC. 10. Section 74193 of the Government Code is amended to read:

74193. The clerk and administrator shall appoint:

(a) One assistant clerk, who shall receive a biweekly salary at a rate specified in range 783.

(b) Two deputy clerks, who shall be principal deputy clerks, each of whom shall receive a biweekly salary at a rate specified in range 661.

(c) Nineteen deputy clerks, who shall be court clerks, each of whom shall receive a biweekly salary at a rate specified in range 607.

(d) One deputy clerk, who shall be a deputy clerk III, who shall receive a biweekly salary at a rate specified in range 410.

(e) Three deputy clerks, who shall be deputy clerks II, each of whom shall receive a biweekly salary at a rate specified in range 343.

(f) Twenty-four deputy clerks who shall be typist-clerks II, each of whom shall receive a biweekly salary at a rate specified in range 343.

(g) Eighteen deputy clerks, who shall be senior deputy clerks, each of whom shall receive a biweekly salary at a rate specified in range 430.

(h) Six deputy clerks, who shall be associate deputy clerks, each of whom shall receive a biweekly salary at a rate specified in range 358.

(i) Eighteen deputy clerks, who shall be cashier-clerks, each of whom shall receive a biweekly salary at a rate specified in range 367.

(j) One deputy clerk, who shall be an accountant II, who shall receive a biweekly salary at a rate specified in range 641.

(k) Four deputy clerks, who shall be account clerks II, each of whom shall receive a biweekly salary at a rate specified in range 410.

(*l*) Two deputy clerks, who shall be account clerks I, who shall receive a biweekly salary at a rate specified in range 350.

(m) One deputy clerk, who shall be a data-processing technician III, who shall receive a biweekly salary at a rate specified in range 517.

(n) One deputy clerk, who shall be a data-processing technician I, who shall receive a biweekly salary at a rate specified in range 392.

(o) One deputy clerk, who shall be a keypunch supervisor, who shall receive a biweekly salary at a rate specified in range 471.

(p) Eight deputy clerks, who shall be keypunch operators, each of whom shall receive a biweekly salary at a rate specified in range 374.

SEC. 11. Section 74194 of the Government Code is amended to read:

74194. There shall be one marshal, Sacramento County, who shall be appointed by the judges of the court, and who shall receive a biweekly salary at a rate specified in range A25. Initial appointments will be in step C of that range. The position of marshal shall not be deemed to be a civil service position.

SEC. 12. Section 74195 of the Government Code is amended to read:

74195. The marshal shall appoint:

(a) One assistant marshal, who shall receive a biweekly salary at a rate specified in range 820.

(b) One deputy marshal, who shall be a senior marshal's sergeant, who shall receive a biweekly salary at a rate specified in range 732.

(c) Nine deputy marshals, who shall be marshal's sergeants, each of whom shall receive a biweekly salary at a rate specified in range 670.

(d) Twenty-two deputy marshals, who shall be bailiffs, each of whom shall receive a biweekly salary at a rate specified in range 608.

(e) One deputy marshal, who shall be a principal deputy clerk, who shall receive a biweekly salary at a rate specified in range 661.

(f) One typist-clerk III, who shall receive a biweekly salary at a rate specified in range 410.

(g) Three deputy marshals, who shall be senior deputy clerks, each of whom shall receive a biweekly salary at a rate specified in range 430.

(h) Four deputy marshals, who shall be associate deputy clerks, each of whom shall receive a biweekly salary at a rate specified in range 358.

(i) One deputy marshal, who shall be a deputy clerk II, who shall receive a biweekly salary at a rate specified in range 343.

The assistant marshal and all deputy marshals listed in subdivisions (a) to (d), inclusive, are authorized incentive pay in addition to the above rates as follows: 2½ percent more than prescribed in this section when in possession of an intermediate peace officers standards and training certificate or 5 percent more than prescribed in this section when in possession of an advanced peace officers standards and training certificate; an additional 2½ percent more than prescribed in this section when in possession of an associate of arts degree or 5 percent more than prescribed in this section when in possession of a bachelor of arts degree. A maximum of 10 percent additional is authorized for all types of incentive pay. All deputy marshals listed in subdivisions (g) and (h), above, are authorized to receive a 5-percent salary differential in addition to the rates indicated for serving as matrons. The classification indicated in subdivision (i) above, is a holding classification to be replaced by classifications indicated by subdivision (h) when incumbents leave the positions.

SEC. 13. Section 74195.5 is added to the Government Code, to read:

74195.5. Upon recommendation of the judges of the court and with approval of the board of supervisors, the court may appoint such additional employees as it deems necessary for the performance of the duties and exercise of the powers conferred by law upon the court and its members. Any appointment made pursuant to this section shall be on an interim basis and shall expire January 1st of the second calendar year following the year in which such appointment is made unless ratified by the Legislature. This section shall not affect the application of Section 72150.

SEC. 14. Section 74803 of the Government Code is amended to read:

74803. The clerk may appoint:

(a) One deputy clerk who shall be assistant administrative officer and chief deputy.

(b) Two deputy clerks V.

(c) Eleven deputy clerks IV.

(d) Six deputy clerks III.

(e) One deputy clerk III (stenographer).

(f) Two deputy clerks II (stenographer).

(g) Seven deputy clerks II.

(h) Twenty deputy clerks I.

SEC. 15. Section 74804 of the Government Code is amended to read:

74804. There shall be one marshal who shall receive the biweekly salary specified in range 50.0 as set forth in the biweekly salary schedule contained in Section 74806.

Whenever the salary of the class of lieutenant in the service of San Joaquin County is adjusted, the salary of the marshal shall be adjusted by an amount equivalent to that of such class of lieutenant. Any adjustment shall be effective only until January 1 of the second year following the year in which the adjustment is made, unless ratified by the Legislature.

SEC. 16. Section 74807 of the Government Code is amended to read:

74807. Persons employed in any of the positions authorized by this article shall be paid the salary assigned to the following ranges as set forth in the biweekly salary schedule contained in Section 74806, except that if the range shown opposite the title of the position includes a fraction then the person employed in such position shall be paid a salary equal to that shown opposite said fractional range in the salary ordinance of the County of San Joaquin.

Position	Range
(a) Deputy clerk I	29
(b) Deputy clerk II (stenographer)	30.5
(c) Deputy clerk II	31
(d) Deputy clerk III	33
(e) Deputy clerk III (stenographer)	33.5
(f) Deputy clerk IV	36.25
(g) Deputy clerk V	38
(h) Chief deputy clerk	40.5
(i) Clerk	49.25
(j) Clerk-typist II	29.0
(k) Deputy marshal	40.0
(*l*) Senior deputy marshal	42.25

Subject to the provisions of the salary ordinance of the County of San Joaquin, each person employed in the clerk's office or marshal's

office may receive an annual increase in salary of one step on his assigned range until the employee reaches the maximum step on the range assigned for his position. Thereafter no additional step increase shall be granted.

SEC. 17. Section 74808 of the Government Code is amended to read:

74808. Certain classifications in the clerk's office and marshal's office are deemed to be equivalent in job and salary level to certain classifications in the service of San Joaquin County and whenever the salary of a classification in the service of San Joaquin County is adjusted by the board of supervisors, the salary of the comparable classification in the clerk's office or marshal's office, as well as the related classifications hereinafter listed, shall be adjusted by a percentage which is equivalent to the increase or decrease in the salary of the comparable classification in the classified service of the County of San Joaquin. Such adjustments shall be effective as of the same date that salary adjustments for the related classes in said classified service are made effective by action of the board of supervisors but such adjustments shall be effective only until January 1 of the second year following the year in which such adjustments are made, unless ratified by the Legislature.

(a) The class of deputy clerk I in the clerk's office is equivalent in job and salary level to the class of clerk-typist II in the service of San Joaquin County. Whenever the class of clerk-typist II is adjusted, the classes of deputy clerk I, deputy clerk II and deputy clerk III shall be adjusted an equal number of ranges on the salary schedule.

(b) The class of deputy clerk III (stenographer) is equivalent in job and salary to the class of clerk-stenographer III in the service of San Joaquin County. Whenever the class of clerk-stenographer III is adjusted, the class of deputy clerk III (stenographer) shall be adjusted an equal number of ranges on the salary schedule.

(c) The class of deputy clerk IV is equivalent in job and salary level to the class of superior court clerk in the service of San Joaquin County. Whenever the class of superior court clerk is adjusted, the classes of deputy clerk IV, deputy clerk V, chief deputy clerk and clerk shall be adjusted an equal number of ranges on the salary schedule.

(d) The class of deputy clerk II (stenographer) is equivalent in job and salary level to the class of clerk-stenographer II in the service of San Joaquin County. Whenever the class of clerk-stenographer II is adjusted, the class of deputy clerk II (stenographer) shall be adjusted an equal number of ranges on the salary schedule.

(e) Whenever the salary of the class of deputy sheriff I in the service of San Joaquin County is adjusted, the class of deputy marshal and senior deputy marshal shall be adjusted an equal number of ranges on the salary schedule.

SEC. 18. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because

this act is in accordance with the request of a local governmental entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 699

An act to amend Sections 74657.1, and 74658 of the Government Code, relating to courts.

[Became law without Governor's signature August 31, 1976. Filed with Secretary of State August 31, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 74657.1 of the Government Code is amended to read:

74657.1. There shall be one marshal—Lompoc, one deputy marshal—Lompoc, and one clerk-typist III, each of whom shall receive a salary in accordance with Sections 74658 and 74658.1.

SEC. 2. Section 74658 of the Government Code is amended to read:

74658. (a) The biweekly salaries for the following classes of positions shall be, and shall be increased in accordance with the schedule set forth below:

	Range	Hourly rate step A	A	B	C	D	E
Clerk of the municipal court—Lompoc	296	6.1041	488.33	513.30	539.55	567.14	596.14
Assistant clerk municipal court—Lompoc	246	4.7369	380.55	400.02	420.47	441.97	464.57
Municipal court clerk	217	4.1163	329.30	346.14	363.85	382.46	402.02
Marshal—Lompoc	338	7.5265	602 12	632.92	655.32	699.34	735.10
Deputy marshal—Lompoc	279	5.6079	448.63	471.57	495.69	521.03	547.69
Clerk-typist III	192	3.6335	290.68	305.54	321.18	337.62	354.89
Clerk-typist II	165	3.1757	254.06	267.05	280.71	295.07	310.15
Extra help worker as needed	(to be compensated in accordance with the salary ordinance of Santa Barbara County)						

All figures in columns A, B, C, D and E represent dollars for each biweekly pay period.

(b) The administration of the salary plan provided by this article including the hiring rate, increases within range, salary on promotion, and salary on position classification shall be in accordance with the current personnel rules and salary ordinance of the County of Santa Barbara.

(c) On the effective date of this article, the following regulations will govern the administration of the classification and compensation schedule contained herein:

(1) Except as otherwise provided in this article, all employees shall be entitled to the same vacation, sick leave, leave of absence, and similar benefits, and shall be subject to the same rules and regulations concerning length of workweek, anniversary dates and changes thereof, as is now or may be provided by ordinances and policies approved by the Board of Supervisors of Santa Barbara County for other employees of the county.

Nothing in this article shall be construed to place the marshal's or clerk's office, their employees and other municipal court attachés under the civil service system of Santa Barbara County, but such employees and attachés may be placed under the civil service system by court rule adopted by the judges of this municipal court.

(2) For purposes of this article, an employee, unless otherwise designated, refers to every person filling any position established by Sections 74657 and 74657.1.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 700

An act to add Section 19957.5 to the Health and Safety Code, relating to access to public accommodations by physically handicapped persons.

[Became law without Governor's signature August 31, 1976 Filed with Secretary of State August 31, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 19957.5 is added to the Health and Safety Code, to read:

19957.5. (a) Every city, county, or city and county may appoint a local appeals board composed of five members to hear written appeals brought by any person regarding action taken by the

building department of the city, county, or city and county in enforcement of the requirements of this part, including the exceptions contained in Section 19957.

(b) Two members of the appeals board shall be physically handicapped persons, two members shall be persons experienced in construction, and one member shall be a public member.

(c) The appeals board shall conduct hearings on written appeals made under subdivision (a) and may approve or disapprove interpretations of this part and enforcement actions taken by the building department of the city, county, or city and county. All such approvals or disapprovals shall be final and conclusive as to the building department in the absence of fraud or prejudicial abuse of discretion. The appeals board shall adopt regulations establishing procedural rules and criteria for the carrying out of its duties under this part.

CHAPTER 701

An act to add Section 31840.5 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Became law without Governor's signature August 31, 1976. Filed with Secretary of State August 31, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 31840.5 is added to the Government Code, to read:

31840.5. The provisions of this chapter extending rights to a member of a county retirement system established under this chapter or subjecting him to any limitation, by reason of his membership in the Public Employees' Retirement System shall also apply to members who terminated state employment and became employees of a district within six months of such termination and who were employees of such district at the time that the district became subject to the county retirement system. Any change in a member's contribution rate shall become effective on January 1, 1977, and a member whose rate is reduced shall not be entitled to any payment with respect to his rate of contribution prior to that date.

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by majority vote, make the provisions of this section applicable in such county.

CHAPTER 702

An act to amend Sections 15516 and 15518 of, to add Sections 6950.6 and 19700.695 to, and to add and repeal Section 15518.01 of, the Education Code, and to repeal Section 4 of Chapter 1009 of the Statutes of 1975, relating to schools, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 31, 1976. Filed with Secretary of State August 31, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6950.6 is added to the Education Code, to read:

6950.6. The governing board of a school district to which a nonimmigrant alien residing in a foreign country has made application seeking permission to enroll in any school of the district may, after having determined to its satisfaction that the person intends to temporarily reside in, and attend a school of, the district, agree in writing to permit the alien to enroll in, and attend schools of, the district, and may execute any written commitment required by or pursuant to federal law as a prerequisite to the alien's entry into this country for the purpose of securing education and training. The provisions of Section 6950 shall be applicable to such nonimmigrant alien. The school district executing any such written agreement shall so notify the county board of education.

SEC. 2. Section 15516 of the Education Code is amended to read:

15516. No school building examined and found to be unsafe for school use pursuant to Section 15503 and not repaired or reconstructed in accordance with the provisions of this article, and no school building which has never met the requirements of Article 4 (commencing with Section 15451) of this chapter, shall be used as a school building for elementary and secondary school or community college purposes after June 30, 1975, except as permitted by Article 6 (commencing with Section 15551) of this chapter, unless the governing board of the school district has requested and obtained from the State Allocation Board authority for use of such building for a specific period beyond such date. Prior to requesting such authority, the governing board shall adopt a resolution declaring the board's intention to utilize the building as a school building after June 30, 1975, pending its repair, reconstruction, or replacement. The State Allocation Board shall not authorize any school district to use such a building beyond June 30, 1975, unless it has first determined that the school district has already proceeded with a plan of total repair, reconstruction or replacement in a timely manner and a contract has been let for any phase of, and work commenced on, such project. In no event shall the State Allocation Board authorize the use

of such unsafe facilities for a period extending beyond the completion of the replacement facilities or beyond June 30, 1977, whichever occurs first.

For purposes of this section, "school building" does not include any portable building. Portable buildings may be used beyond June 30, 1975 to meet temporary housing needs until all repair, reconstruction or replacement of all district school buildings is complete or until June 30, 1977, whichever occurs first, provided that the governing board of the district has requested and obtained from the State Allocation Board authority for use of such portable buildings. The State Allocation Board may grant such authority only to those districts in which 20 percent or more of the schools are subject to partial or complete reconstruction pursuant to Section 15503. Any portable buildings for which authority is granted for temporary use pursuant to this section shall not be subject to the provisions of Article 4 (commencing with Section 15451) or Article 5 (commencing with Section 15501) of this chapter during the period of such authorized use.

SEC. 3. Section 15518 of the Education Code is amended to read:

15518. The governing board of a school district may undertake corrective measures relating to earthquake safety recommended to the governing board pursuant to Section 15503 in connection with any school building under the jurisdiction of the governing board without compliance with the procedures otherwise prescribed by Section 15505.

The maximum rate of tax of any school district for the fiscal years 1974–75 to 1976–77, inclusive, is hereby increased by such amount as will produce the amount necessary to have any school buildings examined as required by Section 15503 and to effect the corrective structural repairs, reconstruction or replacement relating to earthquake safety recommended pursuant to Section 15503, as shown by the budget of the district for such school year as finally adopted by the governing board of the district, less any unencumbered balances remaining at the end of the preceding school year derived from revenue from the increase in the rate of tax provided by this section. The funds provided by such increase in the tax rate may be used to provide for the housing of pupils temporarily displaced by the repair, reconstruction, or replacement of school buildings required in order to meet earthquake safety standards.

The increase provided by this section and Section 15517 shall not exceed a total increase of ten cents ($0.10) for each one hundred dollars ($100) of the assessed valuation of property within the district in each fiscal year, unless additional funds are specifically required by the district to match state funds provided pursuant to Article 9 (commencing with Section 19700.51) of Chapter 10, Division 14. If such additional funds are required by the district, the maximum increase in tax rate provided by this section may be increased by not to exceed an additional ten cents ($0.10) for each one hundred dollars ($100) of assessed valuation of property within the district in

each fiscal year such additional funds are required pursuant to Article 9, prior to and including the 1973–74 fiscal year. Such additional tax money may be levied in the 1974–75 fiscal year only if the State Allocation Board has first approved an application of the district pursuant to Article 9. After the 1974–75 fiscal year, any district which has levied the entire twenty-cent ($0.20) amount permitted by this section in the preceding fiscal year and has deposited in the State School Building Fund of the district, the proceeds derived therefrom as matching funds in an application or applications under Article 9 may levy the same twenty-cent ($0.20) tax or so much thereof as is necessary for matching funds for an application or applications under Article 9 in any succeeding fiscal year, including, but not beyond, the 1976–77 fiscal year.

This section shall remain operative only until July 1, 1978, and as of such date is repealed. This section shall remain in effect until such date regardless of the repeal or expiration of Section 15517.

Notwithstanding the provisions of this section, the governing board shall comply with the provisions of Section 15505 whenever such compliance is necessary to continue the program of corrective structural repairs, reconstruction, or replacement required pursuant to the provisions of this article.

SEC. 4. Section 15518.01 is added to the Education Code, to read:

15518.01. Beginning with the 1978–79 fiscal year, the county superintendent of schools, in conjunction with his review of any school district budget pursuant to Section 20607, shall determine any unexpended funds derived from the tax levied pursuant to Section 15518 and require that such funds be utilized by the district in one of the following ways:

(a) If the district was not an applicant district pursuant to Article 9 (commencing with Section 19700.51) of Chapter 10 of Division 14, the unexpended funds shall be budgeted for capital outlay purposes only.

(b) If the district was an applicant pursuant to Article 9, such unexpended funds received prior to July 1, 1980, shall only be applied as a direct reduction of any Article 9 apportionment outstanding against the district. The county superintendent of schools shall in such case notify the duly authorized representative of the State Allocation Board of the amount available as a reduction of outstanding Article 9 apportionments and the authorized representative shall take the action necessary to reduce the outstanding apportionments. After July 1, 1980, any additional amounts shall be available only for the purposes of reducing the tax levy under Section 19619.

This section shall remain in effect only until June 30, 1985, and as of that date is repealed.

SEC. 5. Section 19700.695 is added to the Education Code, to read:

19700.695. Notwithstanding Section 15518 or anything to the contrary in this article, whenever the State Allocation Board

determines that state funds are not available to make an apportionment for an otherwise eligible project in the amount computed pursuant to Section 19700.69, an application may be approved and an apportionment made for one dollar ($1) only. In such instances the project may be financed by the applicant district using funds derived from a twenty cents ($0.20) tax levy provided by Section 15518 together with any other funds available to the district for such purposes.

SEC. 6. During the 1975–76 fiscal year, Indo-Chinese refugees shall be excluded from attendance of the San Juan Unified School District for purposes of computing any increase in the district's revenue limit on account of losses in average daily attendance, as provided for in Section 20905.5 of the Education Code, and for purposes of computing revenue limit adjustments pursuant to Section 20907 of the Education Code.

SEC. 7. Section 4 of Chapter 1009 of the Statutes of 1975 is repealed.

SEC. 8. It is the intent of the Legislature that the State School Building Lease-Purchase Law of 1976, as enacted by Chapter 1009 of the Statutes of 1975, become operative on the effective date of this act and be implemented at such time as funds are made available from any source to finance the program established by that law.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of Chapter 1009 of the Statutes of 1975, which were enacted in anticipation of being funded by adoption of a statewide school bond act, may instead become operative contingent upon financing from other sources; in order that school districts may increase their tax rates for earthquake safety purposes when state matching funds are not available; and in order that the governing board of any school district may agree in writing to permit nonimmigrant aliens residing in a foreign country to enroll in and attend schools of the district, at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 703

An act making an appropriation to pay the claims of the Secretary of the State Board of Control, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 31, 1976. Filed with Secretary of State August 31, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The sum of seven hundred twenty-four thousand seven hundred forty dollars and twenty cents ($724,740.20) is hereby appropriated from the funds indicated to the Director of Finance for allocation for the payment of claims in accordance with the following schedule:

Schedule:

To the State Board of Control to pay the claims of the Secretary of the State Board of Control:

General Fund	$448,268.83
From the appropriation made by Section 83122 of the Government Code	260.22
Contingent Fund of the Board of Osteopathic Examiners	63,056.80
State Board of Chiropractic Examiners' Fund	28,461.42
State Transportation Fund	
State Highway Account	18,668.98
Motor Vehicle Account	3,346.99
Transportation Tax Fund	
Motor Vehicle Account	211.00
Motor Vehicle License Fee Account	1,129.00
Motor Vehicle Fuel Account	633.50
Unemployment Administration Fund	2,208.20
Unemployment Fund	15.64
Unemployment Compensation Disability Fund	6.43
Water Resources Revolving Fund	559.33
Fish and Game Preservation Fund	908.88
Real Estate Fund	100.00
Health Care Deposit Fund	156,904.98
Total	$724,740.20

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessary are:

In order to settle claims against the state and end hardships to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 704

An act to add Section 14150.3 to the Welfare and Institutions Code, relating to public social services.

[Approved by Governor August 31, 1976. Filed with Secretary of State September 1, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 14150.3 is added to the Welfare and Institutions Code, to read:

14150.3. Notwithstanding the provisions of Section 14150, the 1971–72 fiscal year base year amount under Section 14150 for San Diego County as its share toward the cost of care and administration under this chapter for the 1976–77 fiscal year and subsequent fiscal years shall be six million seven hundred sixty-three thousand dollars ($6,763,000). The State Controller shall use the amount of six million seven hundred sixty-three thousand dollars ($6,763,000) as the 1971–72 fiscal year base year amount in determining the amount payable by San Diego County in the 1976–77 fiscal year and subsequent fiscal years under Section 14150.

CHAPTER 705

An act to add and repeal Section 776 of the Public Utilities Code, relating to public utilities.

[Approved by Governor August 31, 1976 Filed with Secretary of State September 1, 1976]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares that historically since the first establishment of telephone corporations as public utilities, the cost of directory assistance has been considered paid for in the monthly service charge.

SEC. 2. Section 776 is added to the Public Utilities Code, to read:

776. The commission shall not permit a telephone corporation to assess a separate charge for provision of telephone directory assistance over and above what is included in the monthly service charge.

SEC. 3. This act shall remain in effect only until January 1, 1979, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1979, deletes or extends such date.

CHAPTER 706

An act to add Section 2217.5 to the Business and Professions Code, relating to physicians and surgeons.

[Became law without Governor's signature September 1, 1976. Filed with Secretary of State September 1, 1976]

The people of the State of California do enact as follows:

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SECTION 1. Section 2217.5 is added to the Business and Professions Code, to read:

2217.5. Every person holding a physician's and surgeon's certificate under this chapter is exempt from the payment of the renewal fee provided such physician and surgeon has practiced medicine for 20 years or more in the State of California, has reached the age of retirement under the Social Security Act, receives social security benefits, and customarily provides his or her services free of charge to any person, organization, or agency. In the event that charges are made, such charges shall be nominal and in no event shall the aggregate of such charges in any single year be in an amount which would result in his or her income discontinuing his or her eligibility for full social security benefits.

CHAPTER 707

An act to amend Sections 73666 and 73667 of the Government Code, relating to courts.

[Became law without Governor's signature September 1, 1976 Filed with Secretary of State September 1, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 73666 of the Government Code is amended to read:

73666. The monthly salaries for the following positions shall be according to, and shall be increased in accordance with, the following salary schedule:

Salary Schedule

	Step A	Step B	Step C	Step D	Step E
Clerk	$1,076.18	$1,130.59	$1,186.36	$1,245.07	$1,308.06
Chief deputy clerk	694.08	729.82	765.62	804.26	844.32
Court clerk II	662.58	694.08	729.82	765.62	804.26
Court clerk I	615.32	645.39	678.31	712.69	748.40
Marshal	1,442.52	1,515.51	1,591.35	1,668.62	1,753.07
Chief deputy marshal	1,001.77	1,051.82	1,103.37	1,157.73	1,216.41
Deputy marshal	930.22	977.43	1,026.07	1,076.18	1,130.59
Senior clerk-typist matron	694.08	729.82	765.62	804.26	844.32
Intermediate clerk-typist	569.57	599.59	629.64	662.58	694.08
Marshal's clerk	599.59	629.64	662.58	694.08	729.82

SEC. 2. Section 73667 of the Government Code is amended to read:

73667. The positions enumerated in Section 73666 are deemed to be equivalent in job and salary level to certain positions in the

classified service of the civil service system of the County of Humboldt, or in some instances, to such positions with a range adjustment on the salary range schedule of the County of Humboldt. The following table sets forth the court classifications with the equivalent county classifications and appropriate range adjustment, if any, shown opposite thereto:

Court classification	County classification
Clerk	Supervising clerk plus 15 ranges
Chief deputy clerk	Senior clerk plus 2 ranges
Court clerk II	Senior clerk
Court clerk I	Account clerk
Marshal	Sheriff's lieutenant plus 2 ranges
Chief deputy marshal	Deputy sheriff II
Deputy marshal	Deputy sheriff I
Senior clerk-typist matron	Senior clerk-typist plus 2 ranges
Intermediate clerk-typist	Intermediate clerk-typist
Marshal's clerk	Intermediate clerk-typist plus 2 ranges

In the event that the salary for any county classification which is shown above is adjusted, then the salary for the equivalent court classification shall be automatically adjusted to the same amount, with an additional upward range adjustment on the salary range schedule of the County of Humboldt when such range adjustment is indicated in the above table. If the salary for any county classification which is shown above is adjusted prior to the effective date of this section, the resulting salary adjustment for the appropriate court classification shall become applicable on the effective date of this section. Any salary adjustment for a court classification which results from this section shall be effective only until January 1, 1978.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act, because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 708

An act to relating to local district consolidation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 1, 1976. Filed with Secretary of State September 1, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Notwithstanding Sections 54902 and 54903 of the Government Code, the dissolution of the West Sacramento Sanitary District, the dissolution of County Service Area No. 5 of Yolo County, the reorganization of these districts into the East Yolo Community Services District and the formation of the territory of the dissolved sanitary district into a zone of the community services district shall be effective for assessment and taxation purposes for the 1976–77 fiscal year if the statement and maps required by Section 54900 of the Government Code are filed with the assessor and the State Board of Equalization on or before August 20, 1976.

SEC. 2. Notwithstanding Section 61751 of the Government Code, upon receipt of the estimate of the amount of money needed within the zone of the community services district as heretofore approved by the sanitary district and upon the board of supervisor's determination of a reasonable amount required for the purposes of the East Yolo Community Services District as a whole, but not to exceed the sum heretofore established by the budget for County Service Area No. 5, the Board of Supervisors of the County of Yolo may establish applicable tax rates for the fiscal year 1976–77 on behalf of such community services district and such zone pursuant to Section 61755 of the Government Code.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity which desired legislative authority to act to carry out the program specified in this act and such entity is required to reimburse any other affected local agencies for their costs in performing any required acts.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order for the East Yolo Community Services District to impose a property tax for the 1976–77 fiscal year to finance its functions for such year, it is necessary that this act take effect immediately.

CHAPTER 709

An act to add Sections 1009 and 12885.9 to the Water Code, relating to water supplies, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1976. Filed with Secretary of State September 3, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1009 is added to the Water Code, to read:

1009. Any supplier of water in this state for municipal use, including the state, or any city, county, city and county, district, individual, partnership, corporation, or any other entity, may undertake a water conservation program to reduce water use and may require, as a condition of new service, that reasonable water-saving devices and water reclamation devices be installed to reduce water use.

SEC. 2. Section 12885.9 is added to the Water Code, to read:

12885.9. The department, without the prior approval of the California Water Commission, is authorized during the calendar years 1976 and 1977 to make loans in amounts not to exceed one hundred thousand dollars ($100,000) to public agencies to provide emergency facilities needed to maintain water supplies in order to relieve drought situations. Such loans shall be repayable over a period of not to exceed 10 years and shall be repayable with interest at the rate specified in Section 12885.8.

Loans may be made pursuant to this section only if no other funds are reasonably available for meeting the emergency and all other sources of emergency funding have been exhausted. Such loans may be made only to public agencies having the financial ability to repay and serving an area with a population of 100,000 or less.

The Legislature finds that public agencies serving areas with a population of over 100,000 are able financially to relieve drought situations without assistance from the state. No more than two million dollars ($2,000,000) of the funds available under this chapter may be loaned under this section. Notwithstanding any statutory limitations on its existing powers and except as restricted by the California Constitution, any public agency is authorized, without an election, to borrow and expend funds pursuant to this section to relieve water shortage emergencies within its boundaries.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Existing drought conditions are causing hardships and crises in many areas of the state. Many small communities are having trouble making their regular water service because of the drought. Communities large and small also need to encourage conservation to further existing water supplies. In order to relieve existing drought conditions, it is necessary that this act take effect immediately.

CHAPTER 710

An act to add Section 1766.5 to the Welfare and Institutions Code, relating to the Youth Authority.

[Approved by Governor September 2, 1976. Filed with Secretary of State September 3, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1766.5 is added to the Welfare and Institutions Code, to read:

1766.5. The director shall establish and maintain a fair, simple and expeditious system for resolution of grievances of all persons committed to the Youth Authority regarding the substance or application of any written or unwritten policy, rule or regulation of the department or of an agent or contractor of the department or any decision, behavior or action by an employee, agent or contractor or by other person committed to the Youth Authority. The system shall:

(a) Provide for the participation of employees of the department and of persons committed to the Youth Authority on as equal a basis and at the most decentralized level reasonably possible and feasible in the design, implementation and operation of the system;

(b) Provide, to the extent reasonably possible, for the selection by their peers of persons committed to the Youth Authority as participants in the design, implementation and operation of the system;

(c) Provide, within specific time limits, for written responses with written reasons in support thereof to all grievances at all decision levels within the system;

(d) Provide for priority processing of grievances which are of an emergency nature, including, but not limited to, matters which would, by passage of time required for normal processing, be made moot and matters in which delay would subject the grievant to substantial risk of personal injury or other damage;

(e) Provide for the right of grievants to be represented by another person committed to the Youth Authority, by an employee, or by any other person, including a volunteer who is a regular participant in departmental operations;

(f) Provide for safeguards against reprisals against any grievant or participant in the resolution of a grievance;

(g) Provide, at one or more decision levels of the process, for a full hearing of the grievance at which all parties to the controversy and their representatives shall have the opportunity to be present and to present evidence and contentions regarding the grievance;

(h) Provide a method of appeal of grievance decisions available to all parties to the grievance, including, but not limited to, final right of appeal to advisory arbitration of the grievance by a neutral person not employed by the department, the decision of such arbitrator to

be adopted by the department unless such decision is in violation of law, would result in physical danger to any persons, would require expenditure of funds not reasonably available for such purpose to the department, or, in the personal judgment of the director, would be detrimental to the public or to the proper and effective accomplishment of the duties of the department;

(i) Provide for the monitoring of the system by the department with an annual report regarding the operation of the system to be filed with the Legislature, with the Attorney General and with the State Public Defender, and further provide, pursuant to contract or other appropriate means, for an annual evaluation of the system by a public or private agency independent of the department to the extent necessary to ascertain whether the requirements of this section are being met. The results of which evaluation shall be filed with the department, the Legislature, the Attorney General, and the State Public Defender.

CHAPTER 711

An act to repeal Section 9322 of the Government Code, relating to legislative committee reporters.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 9322 of the Government Code is repealed.

CHAPTER 712

An act to add Section 1940 to Chapter 2 (commencing with Section 1941) of Title 5 of Part 4 of Division 3 of the Civil Code, and to amend Sections 1159 and 1161 of the Code of Civil Procedure, relating to estates in land.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 1940 is added to Chapter 2 (commencing with Section 1941) of Title 5 of Part 4 of Division 3 of the Civil Code, to read:

1940. (a) Except as provided in subdivision (b), this chapter shall apply to all persons who hire dwelling units located within this state including tenants, lessees, boarders, lodgers, and others,

however denominated.

(b) The term "persons who hire" shall not include a person who maintains either of the following:

(1) Transient occupancy in a hotel, motel, residence club, or other facility when such occupancy is or would be subject to tax under Section 7280 of the Revenue and Taxation Code.

(2) Occupancy at a hotel or motel where the innkeeper retains a right of access to and control of the dwelling unit and the hotel or motel provides or offers all of the following services to all of the residents:

(A) Facilities for the safeguarding of personal property pursuant to Section 1860.

(B) Central telephone service subject to tariffs covering the same filed with the California Public Utilities Commission.

(C) Central dining, maid, mail, room and recreational services.

(D) Occupancy for periods of less than seven days.

(c) "Dwelling unit" means a structure or the part of a structure that is used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.

(d) Nothing in this section shall be construed to limit the application of any provision of this chapter to tenancy in a dwelling unit unless such provision is so limited by its specific terms.

SEC. 2. Section 1159 of the Code of Civil Procedure is amended to read:

1159. Every person is guilty of a forcible entry who either:

1. By breaking open doors, windows, or other parts of a house, or by any kind of violence or circumstance of terror enters upon or into any real property; or,

2. Who, after entering peaceably upon real property, turns out by force, threats, or menacing conduct, the party in possession.

The "party in possession" means any person who hires real property and includes a boarder or lodger, except those persons whose occupancy is described in subdivision (b) of Section 1940 of the Civil Code.

SEC. 3. Section 1161 of the Code of Civil Procedure is amended to read:

1161. A tenant of real property, for a term less than life, or the executor or administrator of his estate heretofore qualified and now acting or hereafter to be qualified and act, is guilty of unlawful detainer:

1. When he continues in possession, in person or by subtenant, of the property, or any part thereof, after the expiration of the term for which it is let to him; provided such expiration is of a nondefault nature however brought about without the permission of his landlord, or the successor in estate of his landlord, if any there be; including the case where the person to be removed became the occupant of the premises as a servant, employee, agent, or licensee and the relation of master and servant or employer and employee or

principal and agent or licensor and licensee has been lawfully terminated or the time fixed for such occupancy by the agreement between the parties has expired; but nothing in this subdivision contained shall be construed as preventing the removal of such occupant in any other lawful manner; but in case of a tenancy at will, it must first be terminated by notice, as prescribed in the Civil Code.

2. When he continues in possession, in person or by subtenant, without the permission of his landlord, or the successor in estate of his landlord, if any there be, after default in the payment of rent, pursuant to the lease or agreement under which the property is held, and three days' notice, in writing, requiring its payment, stating the amount which is due, or possession of the property, shall have been served upon him and if there is a subtenant in actual occupation of the premises, also upon such subtenant.

Such notice may be served at any time within one year after the rent becomes due. In all cases of tenancy upon agricultural lands, where the tenant has held over and retained possession for more than 60 days after the expiration of the term without any demand of possession or notice to quit by the landlord or the successor in estate of his landlord, if any there be, he shall be deemed to be holding by permission of the landlord or successor in estate of his landlord, if any there be, and shall be entitled to hold under the terms of the lease for another full year, and shall not be guilty of an unlawful detainer during said year, and such holding over for the period aforesaid shall be taken and construed as a consent on the part of a tenant to hold for another year.

3. When he continues in possession, in person or by subtenant, after a neglect or failure to perform other conditions or covenants of the lease or agreement under which the property is held, including any covenant not to assign or sublet, than the one for the payment of rent, and three days' notice, in writing, requiring the performance of such conditions or covenants, or the possession of the property, shall have been served upon him, and if there is a subtenant in actual occupation of the premises, also, upon such subtenant. Within three days after the service of the notice, the tenant, or any subtenant in actual occupation of the premises, or any mortgagee of the term, or other person interested in its continuance, may perform the conditions or covenants of the lease or pay the stipulated rent, as the case may be, and thereby save the lease from forfeiture; provided, if the conditions and covenants of the lease, violated by the lessee, cannot afterward be performed, then no notice, as last prescribed herein, need be given to said lessee or his subtenant, demanding the performance of the violated conditions or covenants of the lease.

A tenant may take proceedings, similar to those prescribed in this chapter, to obtain possession of the premises let to a subtenant or held by a servant, employee, agent, or licensee, in case of his unlawful detention of the premises underlet to him or held by him.

4. Any tenant, subtenant, or executor or administrator of his estate heretofore qualified and now acting, or hereafter to be qualified and

act, assigning or subletting or committing waste upon the demised premises, contrary to the conditions or covenants of his lease, or maintaining, committing, or permitting the maintenance or commission of a nuisance upon the demised premises or using such premises for an unlawful purpose, thereby terminates the lease, and the landlord, or his successor in estate, shall upon service of three days' notice to quit upon the person or persons in possession, be entitled to restitution of possession of such demised premises under the provision of this chapter.

5. When he gives written notice as provided in Section 1946 of the Civil Code of his intention to terminate the hiring of the real property, or makes a written offer to surrender which is accepted in writing by the landlord, but fails to deliver up possession at the time specified in said written notice, without the permission of his landlord, or the successor in estate of the landlord, if any there be.

As used in this section, tenant includes any person who hires real property except those persons whose occupancy is described in subdivision (b) of Section 1940 of the Civil Code.

CHAPTER 713

An act to amend Section 3087 of the Fish and Game Code, relating to taxidermy.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3087 of the Fish and Game Code is amended to read:

3087. (a) (1) Every person who prepares, stuffs, or mounts the skin of any fish, reptile, bird, or mammal for another person shall make and keep an accurate and detailed record, as prescribed by regulations of the commission, regarding all fish, reptile, bird, or mammal carcasses, skins, or parts thereof which are acquired, possessed, or stored for taxidermy purposes.

(2) The record required by this section shall be made at the time the fish, reptile, bird, or mammal carcasses, skins, or parts thereof are received, and shall include the name and address of each person from and to whom fish, reptile, bird, or mammal carcasses, skins, or parts thereof are received or delivered and the number and species of all fish, reptile, bird, or mammal carcasses, skins, or parts thereof received or delivered. The record shall be open for inspection at all times by wardens of the department.

(b) Where a taxidermist has prepared, stuffed, or mounted the skin of any fish, reptile, bird, or mammal for another person and such person does not pay the cost thereof, or take delivery thereof, the

taxidermist may sell such skin only if the commission adopts regulations permitting such sale.

The commission may adopt regulations permitting a sale pursuant to Chapter 6 (commencing with Section 3046) of Title 14 of Part 4 of Division 3 of the Civil Code, and may adopt such other regulations as the commission may require governing such sale including, but not limited to, regulations which require a taxidermist to record, and provide to the department, the name and address of any person failing to pay for work performed on a skin, which list species of fish, reptiles, birds, or mammals whose prepared skins may not be sold, and which limit the sales price of prepared skins to the actual cost of preparation.

The commission may adopt regulations permitting a sale of a prepared skin pursuant to this subdivision only if the commission also adopts regulations which require the posting of a notice or otherwise giving notice at the place of business of the taxidermist informing patrons of the provisions of this subdivision and regulations adopted pursuant thereto.

CHAPTER 714

An act to amend Sections 4070, 4071, and 4090 of the Health and Safety Code, relating to water treatment facilities.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 4070 of the Health and Safety Code is amended to read:

4070. There is in the state department an advisory committee which consists of six members appointed by the Governor.

SEC. 2. Section 4071 of the Health and Safety Code is amended to read:

4071. The advisory committee shall consist of the following six members:

(a) One person who is an employed waterworks operator.

(b) One person who is a professional engineer whose major field is related to water supply and treatment.

(c) One person who is a member of an organized labor union which represents water treatment plant operators.

(d) Three persons who shall represent the governing bodies of water purveyors, one of whom shall represent the governing body of a water purveyor providing service to less than 200 domestic service connections.

SEC. 3. Section 4090 of the Health and Safety Code is amended to read:

4090. The director, with the approval of the advisory committee, shall establish the criteria and standards for education and training of existing and prospective water treatment plant operators and shall provide such criteria and standards for use in statewide technical education and training programs.

CHAPTER 715

An act to add Section 25424.3 to the Education Code, relating to community colleges.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 25424.3 is added to the Education Code, to read:

25424.3. The governing board of a community college district may contract with a county, or city, or county superintendent of schools, or other governmental entity for services which provide a benefit to the community college district.

CHAPTER 716

An act to amend Section 73075 of the Government Code, relating to courts.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 73075 of the Government Code, as amended by Chapter 678 of the Statutes of 1974, is amended to read:

73075. Each of the municipal court districts established in Alameda County shall have the number of judges set out below opposite the name of the judicial district over which such court has jurisdiction:

Alameda Judicial District	1
Berkeley-Albany Judicial District	4
Oakland-Piedmont Judicial District	14
San Leandro-Hayward Judicial District	7
Fremont-Newark-Union City Judicial District	3
Livermore-Pleasanton Judicial District	2

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 717

An act to add Section 1130.1 to the Probate Code, relating to probate.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1130.1 is added to the Probate Code, to read:

1130.1. Upon application of the trustee or trustees of a trust created by a will, the clerk shall issue a certificate that the trustee or trustees are duly appointed and acting trustee or trustees under the will.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

CHAPTER 718

An act to amend Section 22810 of the Government Code, relating to the State Employees' Medical and Hospital Care Act, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 22810 of the Government Code is amended to read:

22810. An employee or annuitant may, in the manner, and under such eligibility rules as the board may by regulation prescribe, enroll in an approved health benefits plan, either as an individual or for self and family, except that an employee of a contracting agency, or an

annuitant who retired while such an employee or is the beneficiary of such an employee, may enroll only in a health benefits plan for which the board has contracted. With respect to state officers and employees, the regulations shall provide that every employee or annuitant enrolled in a health benefits plan shall be enrolled in a major medical plan or shall provide for inclusion of major medical benefits in health benefit plans. The regulations may provide for the exclusion of employees on the basis of the nature and type of their employment or conditions pertaining thereto, such as, but not limited to, short term appointments, seasonal or intermittent employment, and employment of a like nature, but no employee or group of employees shall be excluded solely on the basis of the hazardous nature of the employment. Any such enrollment shall authorize the deduction of the contributions required under this part from the employee's or annuitant's salary or retirement allowance.

Any annuitant who, at the time he became an annuitant was enrolled in a health benefits plan, may continue his enrollment as provided by regulations of the board, without discrimination as to premium rates or benefit coverage.

In the case of the death of an employee after application has been filed for coverage of family members but prior to the effective date of such coverage, such family members shall be deemed to have been covered on the date of the death of the employee, and if one of the family members is an annuitant he shall be enrolled as if the coverage applied for were continued without discrimination as to premium rates or benefit coverage.

The board shall, by rule and regulation, make such provision as it deems necessary to eliminate or minimize the impact of adverse selection which would affect any plans approved or contracted for, because of enrollment of annuitants.

SEC. 2. The amendments to Section 22810 of the Government Code which are made by this act shall also be applicable to all persons who receive allowances with respect to members of the Public Employees' Retirement System whose death was a result of injury in the course of employment on or after November 1, 1975.

SEC. 3. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The Board of Administration of the Public Employees' Retirement System is unable under current law to prevent the denial of health insurance coverage to the survivors of employees who die during the period between application and effective date of coverage. This bill

must take effect immediately in order that the families of employees will be eligible for adequate health insurance coverage.

CHAPTER 719

An act to add Section 66794 to the Government Code, relating to solid waste disposal.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 66794 is added to the Government Code, to read:

66794. The board may render technical assistance and make recommendations concerning potential solid waste disposal sites upon the request of the board of supervisors of any county. The board of supervisors of any county requesting such assistance and recommendations shall reimburse the state for the cost of rendering such assistance and making such recommendations, pursuant to an agreement with the board. The board may request any state agency to assist the board in rendering technical assistance and making recommendations pursuant to this section. Final selection of any such site shall remain with the board of supervisors subject to the provisions of Sections 66783.1 and 66784.

CHAPTER 720

An act to amend Sections 18601, 18676, 18679, 18680, 18690, and 18731 of the Business and Professions Code, relating to boxing and wrestling.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 18601 of the Business and Professions Code is amended to read:

18601. As used in this chapter:

"Club" includes corporation, organization or association.

"Commission" means the State Athletic Commission.

"Transient club license" means a license issued to be used in more than one location to promote professional boxing and wrestling matches in cities of under 100,000 population; such license not to be used more than six times each calendar year in any given city.

Further, this license may not be used in any city where regularly scheduled matches are being conducted.

SEC. 2. Section 18676 of the Business and Professions Code is amended to read:

18676. The commission shall not issue any license to conduct, hold, or give boxing contests, sparring or wrestling matches, or wrestling exhibitions, where an admission fee is received, to any club except where such matches, contests, or exhibitions are to be conducted, held, or given in an armory, privately or publicly owned auditorium or hall and the club presents a statement in writing from the duly authorized body or official in control of the building that the club has permission to use the building.

SEC. 3. Section 18679 of the Business and Professions Code is amended to read:

18679. (a) Any application for a license to conduct, or give a professional boxing contest, a sparring or wrestling match, or a wrestling exhibition shall be accompanied by an annual fee, which shall be:

(1) Fifty dollars ($50) in cities of not more than 5,000 inhabitants.

(2) Eighty dollars ($80) in cities of not more than 50,000 inhabitants.

(3) One hundred dollars ($100) in cities of not more than 75,000 inhabitants.

(4) One hundred fifty dollars ($150) in cities of not more than 150,000 inhabitants.

(5) One hundred fifty dollars ($150) for transient club licenses as defined in Section 18601.

(6) Two hundred dollars ($200) in cities having a population of more than 150,000 inhabitants.

(b) The fee for club licenses for amateur boxing contests shall be *twenty-five dollars* ($25).

The total annual fee shall be paid for any license issued between January 1st and March 31st, both dates inclusive; three-fourths of the annual fee shall be paid for any license issued between April 1st and June 30th, both dates inclusive; one-half the total annual fee shall be paid for any license issued between July 1st and September 30th, both dates inclusive; one-fourth of the total annual fee shall be paid for any license issued between October 1st and December 31st, both dates inclusive. Every license shall expire at midnight on December 31st of the year in which such license is issued.

SEC. 4. Section 18680 of the Business and Professions Code is amended to read:

18680. Each person who is an applicant for an annual license or for a renewal thereof shall, before such license or renewal thereof is issued, pay to the commission, a license fee as follows: professional referees, fifty dollars ($50); amateur boxing referees, twenty-five dollars ($25); professional and amateur judges, ten dollars ($10); timekeepers, ten dollars ($10); professional boxers, ten dollars ($10); professional wrestlers, ten dollars ($10); managers, fifty dollars ($50);

trainers, ten dollars ($10); seconds, ten dollars ($10); matchmakers, fifty dollars ($50); assistant matchmakers, fifty dollars ($50); wrestling booking agents, one hundred dollars ($100); announcers, ten dollars ($10). The charge for a duplicate of a license shall be two dollars ($2). No license fee shall be required of ticket sellers, doormen, ushers, or box office employees.

Every license shall expire at midnight on December 31 of the year in which such license is issued.

SEC. 5. Section 18690 of the Business and Professions Code is amended to read:

18690. Before any license is granted to any club to conduct, hold, or give a boxing contest or a sparring match, other than an amateur boxing contest or sparring match, or to conduct, hold, or give a wrestling match or a wrestling exhibition, the applicant therefor shall file a bond of two thousand dollars ($2,000) with good and sufficient surety with the commission, conditioned for the faithful performance by the club of the provisions of this chapter and the payment of the taxes herein imposed.

Only one such bond, cash or equivalent surety shall be required of a club regardless of the number of licenses held as long as no two events are staged by that club on the same date.

Before any license is granted to any club to conduct, hold, or give an amateur boxing contest, sparring or wrestling match for which an admission fee is received, the applicant therefor shall file a bond of not less than one thousand dollars ($1,000) with good and sufficient surety with the commission, conditioned for the faithful performance by the club of the provisions of this chapter and the payment of taxes herein imposed.

Only one such bond, cash or equivalent surety shall be required of a club regardless of the number of licenses held as long as no two events are staged by that club on the same date.

SEC. 6. Section 18731 of the Business and Professions Code is amended to read:

18731. All boxing contests, sparring or wrestling matches, or wrestling exhibitions may be held in any building for which the commission in its discretion may issue a license. Where the contest, exhibition, or match is authorized to be held in a state- or city-owned armory the provisions of the military law in respect thereto shall be complied with.

Clubs holding transient club licenses as defined in Section 18601 need not obtain an additional license for each location approved by the commission.

CHAPTER 721

An act to amend Section 14805.6 of the Financial Code, relating to credit unions.

[Approved by Governor September 3, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 14805.6 of the Financial Code is amended to read:

14805.6. Every credit union shall apply for and obtain insurance as provided for by Title II of the Federal Credit Union Act (Title 12 U.S.C., Sec. 1781 and following), or alternatively, a form of comparable insurance acceptable to the commissioner, for the purpose of insuring its members' share accounts, by January 1, 1980. In seeking and retaining such insurance, a credit union may do all things and assume and discharge all obligations required of it when not in conflict with the laws of this state. Credit unions who have not obtained insurance by January 1, 1980, shall commence with orderly liquidation or merger proceedings, subject to the provisions of this division.

CHAPTER 722

An act to amend Sections 69588 and 70141.10 of the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 69588 of the Government Code is amended to read:

69588. In the County of Marin there shall be six judges.

SEC. 2. Section 70141.10 of the Government Code is amended to read:

70141.10. In the County of Marin, the superior court may provide that the commissioner, in addition to the duties prescribed in Section 259 of the Code of Civil Procedure, shall perform the duties prescribed by Section 259a of the Code of Civil Procedure and in addition thereto the duties of a probate commissioner appointed pursuant to Section 69897 of this code.

Any commissioner appointed pursuant to this section shall have been admitted to practice law in California for not less than five years and shall receive a salary recommended by the superior court and approved by the board of supervisors.

SEC. 3. The sum of sixty thousand dollars ($60,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to Marin County pursuant to Section 2231 of the Revenue and Taxation Code to reimburse the county for costs incurred by it pursuant to Section 1 of this act.

SEC. 4. Section 2 of this act shall become operative on July 1, 1977.

CHAPTER 723

An act to amend Section 53683 of the Government Code, relating to local agencies.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 53683 of the Government Code is amended to read:

53683. Notwithstanding any other provision in this article, the consideration payable by the agency as specified in subdivision (e) of Section 53682 shall be paid by the treasurer by applying such consideration as costs applied on a pro rata basis against the interest earned by all the agencies for which the treasurer invests.

CHAPTER 724

An act to validate the organization, boundaries, acts, proceedings and bonds of public bodies, as herein defined, and to provide limitations of time within which actions may be commenced in connection therewith, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The following terms shall have the following meanings herein:

(a) The term "public body" means counties, cities and counties, cities, and the following districts, authorities, agencies, boards, commissions and other entities:

Agencies, boards, commissions or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500), Division 7, Title 1 of the Government Code.

Air pollution control districts.
Airport districts.
Assessment districts.
Bridge and highway districts.
California water district distribution districts.
California water district improvement districts.
California water districts.
Cemetery districts.
Citrus pest control districts.
City general improvement district improvement districts.
City general improvement districts.
City maintenance districts.
Community college districts.
Community facilities districts.
Community service districts.
Conservancy districts.
County boards of education.
County drainage districts.
County fire protection districts.
County flood control and water districts.
County maintenance districts.
County power pumping districts.
County sanitation districts.
County sanitation district improvement districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.
County water district improvement districts.
County water districts.
County waterworks districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100), Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Harbor districts.
Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural protection districts.
Horticultural development districts.

Housing authorities.
Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.
Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local health districts.
Local hospital districts.
Metropolitan water districts.
Mosquito abatement districts.
Municipal facilities districts.
Municipal improvement assessment districts.
Municipal improvement district improvement districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.
Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.
Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park and parkway districts.
Redevelopment agencies.
Regional park districts.
Regional planning districts.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road districts.
Sanitary agencies.
Sanitary districts.

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Sanitary districts annexed areas.
School districts of any kind or class.
Separation of grade districts.
Sewer maintenance districts.
Special transit service districts.
Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of flood control districts.
Zones of flood control and water conservation districts.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations of such a public body regularly formed pursuant to law.

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 4. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the

annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger or dissolution of such public bodies.

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid and binding obligations of the public body. All bonds of any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued by ordinance, resolution, order or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid and binding obligations of the public body.

SEC. 6. (a) The foregoing provisions of this act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) The foregoing provisions of this act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) The foregoing provisions of this act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(d) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States.

SEC. 7. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization or incorporation of any public body, or for any annexation thereto, exclusion therefrom or other change of boundaries thereof, or for the consolidation, merger or dissolution of any public bodies, or for the authorization, issuance, sale or exchange of bonds thereof upon any ground involving an alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of said matters shall be held to be valid and in every respect legal and incontestable. This section shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 8. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

SEC. 9. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date.

SEC. 10. This act may be cited as the Second Validating Act of 1976.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

To validate the organization boundaries, acts, proceedings and bonds of public bodies as soon as possible.

CHAPTER 725

An act to validate the organization, boundaries, acts, proceedings and bonds of public bodies, as herein defined, and to provide limitations of time within which actions may be commenced in connection therewith.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. The following terms shall have the following meanings herein:

(a) The term "public body" means counties, cities and counties, cities, and the following districts, authorities, agencies, boards, commissions and other entities:

Agencies, boards, commissions or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500), Division 7, Title 1 of the Government Code.
Air pollution control districts.
Airport districts.
Assessment districts.
Bridge and highway districts.
California water district distribution districts.
California water district improvement districts.
California water districts.
Cemetery districts.
Citrus pest control districts.
City general improvement district improvement districts.
City general improvement districts.
City maintenance districts.
Community college districts.
Community facilities districts.
Community service districts.
Conservancy districts.
County boards of education.
County drainage districts.
County fire protection districts.
County flood control and water districts.
County maintenance districts.
County power pumping districts.
County sanitation districts.
County sanitation district improvement districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.

County water district improvement districts.
County water districts.
County waterworks districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100), Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Harbor districts.
Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural protection districts.
Horticultural development districts.
Housing authorities.
Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.
Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local health districts.
Local hospital districts.
Metropolitan water districts.
Mosquito abatement districts.
Municipal facilities districts.
Municipal improvement district improvement districts.
Municipal improvement assessment districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.

Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.
Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park and parkway districts.
Redevelopment agencies.
Regional park districts.
Regional planning districts.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road districts.
Sanitary agencies.
Sanitary districts.
Sanitary districts annexed areas.
School districts of any kind or class.
Separation of grade districts.
Sewer maintenance districts.
Special transit service districts.
Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of flood control districts.
Zones of flood control and water conservation districts.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations of such a public body regularly formed pursuant to law.

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 4. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger or dissolution of such public bodies.

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid and binding obligations of the public body. All bonds of any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued by ordinance, resolution, order or other action adopted or taken by or on behalf of the public body and

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hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid and binding obligations of the public body.

SEC. 6. (a) The foregoing provisions of this act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) The foregoing provisions of this act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) The foregoing provisions of this act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(d) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States.

SEC. 7. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization or incorporation of any public body, or for any annexation thereto, exclusion therefrom or other change of boundaries thereof, or for the consolidation, merger or dissolution of any public bodies, or for the authorization, issuance, sale or exchange of bonds thereof upon any ground involving an alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of said matters shall be held to be valid and in every respect legal and incontestable. This section shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 8. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment

or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

SEC. 9. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date.

SEC. 10. This act may be cited as the Third Validating Act of 1976.

CHAPTER 726

An act to amend Section 69591 of the Government Code, relating to superior courts.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 69591 of the Government Code, as amended by Chapter 1298 of the Statutes of 1974, is amended to read:

69591. In the County of Orange there shall be 37 judges of the superior court; provided, however, that a vacancy for any position in excess of 33 shall not exist until such time as the Orange County Board of Supervisors adopts a separate resolution for each such position agreeing to pay local costs for each such position in excess of any appropriations provided for such positions by the State of California.

SEC. 2. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

CHAPTER 727

An act to amend Section 9 of Chapter 1259 of the Statutes of 1975, relating to workers' compensation.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 9 of Chapter 1259 of the Statutes of 1975 is amended to read:

Sec. 9. The Department of Finance shall report to the Legislature on or before December 31, 1977, on the net cost of this act to local agencies.

CHAPTER 728

An act to amend Sections 9717 and 9768 of, and to add Section 9718 to, the Business and Professions Code, and to add Article 6 (commencing with Section 8585) to Chapter 3 of Part 3 of Division 8 of the Health and Safety Code, relating to cemeteries.

[Approved by Governor September 3, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 9717 of the Business and Professions Code is amended to read:

9717. (a) The board shall adopt, and may from time to time amend, rules and regulations prescribing standards of knowledge and experience and financial responsibility for applicants for certificates of authority. In reviewing an application for a certificate of authority, the board may consider acts of incorporators, officers, directors, and stockholders of the applicant, which shall constitute grounds for the denial of a certificate of authority under Division 1.5 (commencing with Section 475).

(b) Upon receipt of an application for a certificate of authority, the board may cause an investigation to be made of the physical status, plans, specifications and financing of the proposed cemetery, the character of the applicant, including its officers, directors, shareholders, or members, and any other qualifications required of the applicant under this act, and for this purpose may subpoena witnesses, administer oaths, and take testimony.

At the time of the filing of the application required by this section, the applicant shall pay to the Cemetery Fund the sum fixed by the board at not in excess of four hundred dollars ($400) to defray the expenses of investigation. In the event the sum shall be insufficient to defray all of the expenses, the applicant shall within five days after request therefor deposit an additional sum sufficient to defray such expenses, provided that the total sum shall not exceed the sum of nine hundred dollars ($900).

SEC. 2. Section 9718 is added to the Business and Professions Code, to read:

9718. The board may, in accordance with its rules and regulations, authorize interments in cemeteries for which there is no currently valid certificate of authority outstanding if the board finds

that rights to interment therein will otherwise be impaired. However, nothing in this section authorizes sales of lots, vaults, or niches by cemeteries for which there is no currently valid certificate of authority. Interments permitted under this section shall be conducted by persons authorized by the board in accordance with its regulations, and Section 9768 shall not be applicable to such interments.

The board or its representative shall be entitled to inspect and copy any cemetery records necessary to the performance of interments under this section, and any person having custody of such records shall permit inspection and copying thereof for such purpose. The board may apply to the superior court for the county in which the cemetery is located for an order temporarily transferring custody of cemetery records to it for purposes of this section.

SEC. 3. Section 9768 of the Business and Professions Code is amended to read:

9768. It is a misdemeanor for any cemetery corporation to make any interments or perform any cremations without a valid, subsisting and unsuspended certificate of authority. Each interment or cremation shall be a separate violation.

SEC. 4. Article 6 (commencing with Section 8585) is added to Chapter 3 of Part 3 of Division 8 of the Health and Safety Code, to read:

Article 6. Transfer of Cemetery Ownership

8585. Whenever ownership of any cemetery authority is proposed to be transferred, the cemetery authority shall notify the Cemetery Board in the Department of Consumer Affairs. A change in ownership, for purposes of this section, shall be deemed to occur whenever more than 50 percent of the equitable ownership of a cemetery authority is transferred in a single transaction or in a related series of transactions to one or more persons, associations, or corporations. The notice shall specify the address of the principal offices of the cemetery authority, and whether it will be changed or unchanged, and shall specify the name and address of each new owner and the stockholders thereof.

Notice of such a change of ownership shall be published in a newspaper of general circulation in the county in which the cemetery is located. The notice shall specify the address of the principal offices of the cemetery authority, whether changed or unchanged, and shall specify the name and address of each new owner and each stockholder owning more than 5 percent of the stock of each new owner.

When there is a change of ownership pursuant to this section, the existing certificate of authority shall lapse and a new certificate of authority shall be obtained from the Cemetery Board. No person shall purchase a cemetery, including purchase at a sale for

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delinquent taxes, or purchase more than 50 percent of the equitable ownership of a cemetery authority without having obtained a certificate of authority from the Cemetery Board prior to the purchase of the cemetery or such an ownership interest in the cemetery authority.

Every cemetery authority shall post and continuously maintain at each public entrance to the cemetery a sign specifying the current name and address of the cemetery authority, a statement that the name and address of each director and officer of the cemetery authority may be obtained by contacting the Cemetery Board of the State of California, and the address of the Cemetery Board. Such signs shall be at least 16 inches high and 24 inches wide and shall be prominently mounted upright and vertical.

The Cemetery Board shall suspend the certificate of authority of any cemetery authority which is in violation of the sign or public notice requirements of this section. Such certificate may be reinstated only upon compliance with such requirements.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 729

An act to add Section 9650.3 to, and to repeal Section 9650.3 of, the Business and Professions Code, to add Sections 8277, 8278, 8777, 8778, 8779, and 8779.5 to, and to repeal and add Section 8732 of, the Health and Safety Code, relating to cemeteries.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 9650.3 of the Business and Professions Code is repealed.

SEC. 2. Section 9650.3 is added to the Business and Professions Code, to read:

9650.3. A copy of each annual audit report shall be transmitted to the board and shall be a public record. It shall also be open for public inspection at the offices of the cemetery authority during normal business hours. If the cemetery authority does not maintain offices in the county in which its cemetery is located, it shall file a copy of the annual audit report with county clerk of such county, which shall

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be subject to public inspection.

SEC. 3. Section 8277 is added to the Health and Safety Code, to read:

8277. Every contract of a cemetery authority, including contracts executed in behalf thereof by a cemetery broker or salesman, which provides for the sale by the cemetery authority of an interment plot or any service or merchandise, shall be in writing and shall contain all of the agreements of the parties. Such a contract shall include and disclose the following:

(a) The total contract price.

(b) Terms of payment, including any promissory notes or other evidences of indebtedness.

(c) An itemized statement of charges including, as applicable, the following:

(1) Charges for an interment plot.

(2) Charges for performing burial, entombment, or inurnment.

(3) Charges for a monument or marker.

(4) Charges for any services to be rendered in connection with any religious or other observance at the site of interment or in any facility maintained by the cemetery.

(5) Amounts to be deposited in any endowment care or special care fund.

(6) Charges for any insurance to be provided in connection with the contract.

(7) Any other charges, which shall be particularized.

SEC. 4. Section 8278 is added to the Health and Safety Code, to read:

8278. In addition to any right of rescission which the purchaser may have under law, a purchaser entering into a contract with a cemetery broker, salesman, or authority for the provision of an interment plot or any service or merchandise, may cancel such contract without payment of a revocation fee or other penalty, within five calendar days after the purchaser signs it, by giving written notice of cancellation to the seller at the address specified in the contract. The notice need not be in any particular form, but shall indicate the purchaser's intent not to be bound by the contract. Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

Every such contract shall contain in immediate proximity to the space reserved for the purchaser's signature, in a size equal to at least 10-point bold type, the following statement: "You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth calendar day after the date of this transaction, provided no interment or substantial service or merchandise has been provided hereunder. To cancel, deliver or mail written notice of your intent to (name and address of cemetery authority or cemetery broker)."

Upon receipt of a valid notice of cancellation pursuant to this section, the cemetery authority or broker having custody of any money or property paid or transmitted by the purchaser on account

of the preneed interment contract shall return such money or property to the purchaser. The cemetery authority or broker shall promptly notify the trustee if any such money or property has been transmitted thereto prior to receipt of the notice of cancellation. It shall be unlawful for any person to retain money or property received from a purchaser under such contract more than five business days after receiving or being apprised of a valid notice of cancellation.

Notwithstanding other provisions of this section, the right of cancellation granted hereby shall not be applicable if an interment has been made, or substantial services or merchandise provided, under the terms of the contract. This section shall supersede existing provisions of Sections 1689.6 to 1689.11, inclusive, of the Civil Code.

SEC. 5. Section 8732 of the Health and Safety Code is repealed.

SEC. 6. Section 8732 is added to the Health and Safety Code, to read:

8732. Not more than one member of the board of trustees of an endowment care fund may have a proprietary interest in the cemetery authority.

SEC. 7. Section 8777 is added to the Health and Safety Code, to read:

8777. All money or property received by a cemetery authority for deposit in a special care fund shall be placed in the custody of the trustee or trustees thereof within 30 days after receipt by the cemetery authority. The corpus of special care trusts shall be invested and reinvested and kept invested as authorized by Section 8778.

SEC. 8. Section 8778 is added to the Health and Safety Code, to read:

8778. The following shall be eligible investments for special care trusts:

(1) Bonds of the United States or this state, or of any county, city or city and county in this state.

(2) Bonds which are legal investments for commercial banks in this state.

(3) Certificates of deposit or other interest-bearing accounts in any bank in this state insured by the Federal Deposit Insurance Corporation.

(4) Investment certificates or shares in any state or federally chartered savings and loan association insured by the Federal Savings and Loan Insurance Corporation.

(5) Investments in first trust deeds on improved real estate, provided such loans require monthly amortization of principal and interest and are fully amortized within 30 years or the term of the loan, whichever comes first. No loan shall be made to the cemetery authority; director, officer, or stockholder of a cemetery authority, or trustees of the special care funds; or partners, relatives, agents, or employees thereof.

SEC. 9. Section 8779 is added to the Health and Safety Code, to read:

8779. Nothing in this article shall require liquidation or transmutation of any lawful investment existing on December 31, 1976, but any reinvestment shall be governed by Section 8778, and any interest or other increment actually received on account of such an investment shall be reinvested only as provided in Section 8778.

SEC. 10. Section 8779.5 is added to the Health and Safety Code, to read:

8779.5. Each special care fund established pursuant to this article shall be held in trust and managed by either the board of trustees of the cemetery authority's endowment care fund or by a board of trustees meeting the qualifications prescribed by this chapter for such a board of trustees. However, nothing in this section shall be construed to modify the terms of any special care trust established prior to January 1, 1977.

SEC. 11. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 730

An act to add Article 11 (commencing with Section 16429.1) to Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, relating to the Local Agency Investment Fund, and making an appropriation therefor.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 11 (commencing with Section 16429.1) is added to Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, to read:

Article 11. Local Agency Investment Fund

16429.1. There is in the State Treasury the Local Agency Investment Fund, which fund is hereby created. All money in the fund is hereby appropriated without regard to fiscal years to carry out the purpose of this section. The State Controller shall maintain a separate account for each governmental unit having deposits in this fund.

Notwithstanding any other provisions of law, a local government official, with consent of the governing body of that agency, having

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money in its treasury not required for immediate needs, may remit such money to the State Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

The local governmental unit has the exclusive determination of the length of time its money will be on deposit with the State Treasurer.

The State Treasurer may invest the money of the fund in securities prescribed in Section 16430. The State Treasurer may elect to have the money of the fund invested through the Surplus Money Investment Fund as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

Money in the fund shall be invested to achieve the objective of the fund which is to realize the maximum return consistent with safe and prudent treasury management.

All instruments of title of all investments of the fund shall remain in the State Treasurer's vault or be held in safekeeping under control of the State Treasurer in any Federal Reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.

Immediately at the conclusion of each calendar quarter, all interest earned and other increment derived from investments shall be distributed by the State Controller to the contributing governmental units directly proportionate to the respective amounts deposited in the Local Agency Investment Fund and the length of time such amounts remained therein. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of one-quarter of 1 percent of the earnings of this fund, shall be deducted from the earnings prior to distribution and shall be deposited in the General Fund.

The State Treasurer shall prepare for distribution a monthly report of investments made during the preceding month.

16429.2. There is created the Local Investment Advisory Board consisting of five members. The chairman shall be the State Treasurer or his or her designated representative. Two members who are qualified by training and experience in the field of investment or finance, shall be appointed by the State Treasurer. Two members who are treasurers, finance or fiscal officers or business managers, employed by any county, city or local district or municipal corporation of this state, shall be appointed by the Treasurer.

The term of office of each appointed member of the board is two years, but each appointed member serves at the pleasure of the appointing authority. A vacancy in the appointed membership, occurring other than by expiration of term, shall be filled in the same manner as the original appointment, but for the unexpired term only.

Members of the board who are not state officers or employees shall not receive a salary, but shall be entitled to a per diem allowance of fifty dollars ($50) for each day's attendance at a meeting of the board,

not to exceed three hundred dollars ($300) in any month. All members shall be entitled to reimbursement for expenses incurred in the performance of their duties under this part, including travel and other necessary expenses.

The board's primary purpose shall be to advise and assist the State Treasurer in formulating the investment and reinvestment of moneys in the Local Agency Investment Fund, and the acquisition, retention, management, and disposition of investments of the fund. The board, from time to time, shall review those policies and advise therein as it considers necessary or desirable. The board shall advise the State Treasurer in the management of the fund and consult the State Treasurer on any matter relating to the investment and reinvestment of moneys in the fund.

16429.3. Money placed with the State Treasurer for deposit in the Local Agency Investment Fund by cities, counties, or special districts shall not be subject to impoundment or seizure by any state official or state agency.

CHAPTER 731

An act to amend Sections 74660, 74661 to, and to add 74664.5 to, the Government Code, relating to courts.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 74660 of the Government Code is amended to read:

74660. This article applies only to municipal courts established in the following judicial districts in the County of Santa Clara:

(a) A district embracing the Cities of San Jose and Milpitas designated as the San Jose-Milpitas Judicial District;

(b) A district embracing the City of Santa Clara, designated as the Santa Clara Judicial District;

(c) A district embracing the Cities of Los Gatos, Campbell, and Saratoga designated as the Los Gatos-Campbell-Saratoga Judicial District;

(d) A district embracing the Cities of Sunnyvale and Cupertino designated as the Sunnyvale-Cupertino Judicial District; and

(e) A district embracing the Cities of Palo Alto and Mountain View designated as the Palo Alto-Mountain View Judicial District.

(f) A district embracing the Cities of Gilroy and Morgan Hill designated as the Gilroy-Morgan Hill Judicial District.

SEC. 2. Section 74661 of the Government Code is amended to read:

74661. Each of the municipal court districts established in the

County of Santa Clara shall have the number of judges set out below opposite the name of the judicial district over which such court has jurisdiction:

San Jose-Milpitas Judicial District	11
Santa Clara Judicial District	2
Los Gatos-Campbell-Saratoga Judicial District	1
Sunnyvale-Cupertino Judicial District	2
Palo Alto-Mountain View Judicial District	4
Gilroy-Morgan Hill Judicial District	1

SEC. 3. Section 74661 of the Government Code is amended to read:

74661. Each of the municipal court districts established in the County of Santa Clara shall have the number of judges set out below opposite the name of the judicial district over which such court has jurisdiction:

San Jose-Milpitas Judicial District	12
Santa Clara Judicial District	2
Los Gatos-Campbell-Saratoga Judicial District	1
Sunnyvale-Cupertino Judicial District	2
Palo Alto-Mountain View Judicial District	4
Gilroy-Morgan Hill Judicial District	1

SEC. 4. Section 74664.5 is added to the Government Code, to read:

74664.5. In the Gilroy-Morgan Hill Judicial District there shall be one clerk who shall also act as secretary to the judge and who shall receive a salary as specified in range 45.0. The clerk may appoint:

(a) One deputy court clerk, grade II, who shall receive a salary as specified in range 39.0.

(b) Four deputy court clerks, grade I, each of whom shall receive a salary as specified in range 36.0.

SEC. 5. It is the intent of the Legislature, if this bill and Senate Bill No. 1465 are both chaptered and become effective January 1, 1977, both bills amend Section 74661 of the Government Code, and this bill is chaptered after Senate Bill No. 1465, that the amendments to Section 74661 proposed by both bill be given effect and incorporated in Section 74661 in the form set forth in Section 3 of this act. Therefore, Section 3 of this act shall become operative only if this bill and Senate Bill No. 1465 are both chaptered and become effective January 1, 1977, both amend Section 74661, and this bill is chaptered after Senate Bill No. 1465, in which case Section 2 of this act shall not become operative.

SEC. 6. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of local government entities

which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 732

An act to add Section 25265 to the Government Code, relating to counties.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 25265 is added to the Government Code, to read:

25265. Where a county provides financial or accounting services to a special district, including a school district, and such district requests either:

(1) A type of financial or accounting service not currently provided to the district by the county; or

(2) That a financial or accounting service currently provided to the district by the county be furnished more frequently,

the county may contract with such district for such services. The cost of the services shall be a lawful charge against the funds of the district. The term "financial and accounting services" includes, but is not limited to, the preparation and issuance of checks and warrants and the furnishing of the status of accounts.

CHAPTER 733

An act to add Section 69590.7 to the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 69590.7 is added to the Government Code, to read:

69590.7. In the County of Nevada there shall be two judges of the superior court.

SEC. 2. The sum of sixty thousand dollars ($60,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to Nevada County pursuant to Section 2231 of the Revenue and Taxation Code to reimburse the county for costs incurred by it pursuant to this act.

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CHAPTER 734

An act to add Section 2903.1 to the Business and Professions Code, relating to psychologists.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2903.1 is added to the Business and Professions Code, to read:

2903.1. A psychologist licensed under this chapter may use biofeedback instruments which do not pierce or cut the skin to measure physical and mental functioning.

CHAPTER 735

An act to amend Section 1728 of, to add Section 1727 to, and to repeal Section 1727 of, the Insurance Code, relating to insurance.

[Approved by Governor September 3, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1727 of the Insurance Code is repealed.

SEC. 2. Section 1727 is added to the Insurance Code, to read:

1727. (a) The commissioner shall, after notice and hearing, promulgate reasonable rules and regulations specifying the manner and type of records to be maintained by insurance agents and brokers and the location where such records shall be kept.

(b) Every insurance agent and broker shall keep the records as required by the regulations promulgated pursuant to subdivision (a).

SEC. 3. 1728 of the Insurance Code is amended to read:

1728. Every resident insurance agent or broker shall maintain a principal office in this state for the transaction of business. The address of such office shall, pursuant to Section 1658, be specified on all applications for license and renewal applications.

CHAPTER 736

An act to amend Section 1735 of the Insurance Code, relating to insurance.

[Approved by Governor September 3, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1735 of the Insurance Code is amended to read:

1735. As used in this section a managing general agent is a licensed insurance agent who, (1) has a written management contract with one or more admitted insurers covering business transacted by the insurer in a substantial portion of the State of California; (2) under such contract manages the transaction of either all or one or more of the classes of insurance written by such insurers in that territory or the transactions therein by such insurers under a specified fictitious underwriter's name; (3) has the power to appoint, supervise and terminate this appointment of local agents in such territory; (4) has the power to accept or decline risks; and (5) collects premium moneys from producing agents and brokers and remits such moneys to such insurers pursuant to the account current system.

Any such managing general agent shall, with respect to any principals for whom fiduciary funds are held, comply with Section 1734.

CHAPTER 737

An act to repeal Article 4 (commencing with Section 14125) to Chapter 7 of Part 5 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Article 4 (commencing with Section 14125) of Chapter 7 of Part 5 of Division 9 of the Welfare and Institutions Code is repealed.

CHAPTER 738

An act to amend Sections 2701 and 2873 of, and to repeal Section 2703 of, the Penal Code, relating to corrections.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

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SECTION 1. Section 2701 of the Penal Code is amended to read:

2701. The Department of Corrections is hereby authorized and empowered to cause the prisoners in the state prisons of this state to be employed in the rendering of such services and in the production and manufacture of such articles, materials, and supplies as are now, or may hereafter be, needed by the state, or any political subdivision thereof, or that may be needed for any state, county, district, municipal, school, or other public use, or that may be needed by any public institution of the state or of any political subdivision thereof, or that may be needed for use by the federal government, or any department, agency, or corporation thereof, or that may be needed for use by the government of any other state, or any department, agency, or corporation thereof, the laws of which do not prohibit the importation of prison-made goods. The Department of Corrections may enter into contracts for the purposes of this article.

SEC. 2. Section 2703 of the Penal Code is repealed.

SEC. 3. Section 2873 of the Penal Code is amended to read:

2873. All articles, materials and supplies, herein authorized to be produced or manufactured under Sections 2701 and 2702 shall be purchased from the state prisons of this state, by this state or any agency thereof, and may be purchased by any county, city, district, or political subdivision, or any agency thereof, at the prices fixed in the manner herein provided. State agencies shall make maximum utilization of such products and are encouraged to consult with the staff of the Correctional Industries Commission to develop new products or adapt existing products to meet their needs. Products of California state correctional industries may be offered for sale to inmates of the Department of Corrections through canteens on the same basis as commodities purchased from commercial sources.

CHAPTER 739

An act to amend Section 32912.7 of the Food and Agricultural Code, relating to food.

[Approved by Governor September 3, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 32912.7 of the Food and Agricultural Code is amended to read:

32912.7. If a milk product or product resembling a milk product purports to be or is represented for special dietary use by humans by reason of its use as a means of regulating the intake of protein, fat, carbohydrates, or calories, for the purpose of controlling body weight, or for the purpose of dietary management with respect to disease, the label shall bear a statement of:

(a) The weight per specified serving of protein, fat, and available carbohydrates in such milk product or product resembling a milk product; and

(b) The number of available calories supplied by a specified quantity of such milk product or product resembling a milk product.

A milk product or product resembling a milk product shall be considered to be represented for special dietary use if it bears a label, brand name, or nutritional statement suggesting that it is "low calorie," "low fat," "skim," "nonfat," "sugar free," "diet," or words of similar import.

Subdivisions (a) and (b) shall not apply to (1) a milk product or a product resembling a milk product packaged in a glass container, or (2) a milk product supplied in a fluid state to the consumer and packaged in a plastic container with a content volume of one pint or less.

For purposes of this section only, "product resembling a milk product" means a product defined in Section 38912, without the exclusions of Section 38903.

CHAPTER 740

An act to amend Section 1056 of the Code of Civil Procedure, relating to qualifications of insurers.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 1056 of the Code of Civil Procedure is amended to read:

1056. In all cases where an undertaking or bond, with any number of sureties is authorized or required by any provision of this code, or of any law of this state, any corporate or reciprocal insurer, possessing a certificate of authority from the Insurance Commissioner authorizing it to write surety insurance defined in Section 105 of the Insurance Code may become and shall be accepted as security or as sole and sufficient surety upon such undertaking or bond, and such corporate surety shall be subject to all the liabilities and entitled to all the rights of natural persons' sureties.

Notwithstanding any other provision of law such undertaking or bond shall be accepted or approved by all courts and magistrates in this state if executed under penalty of perjury in the name of the insurer by a person authorized to do so by an unrevoked power of attorney on file in the office of the clerk of the county in which the court or magistrate is located or, if a bail bond or undertaking of bail, it shall be accepted or approved if issued in the name of the insurer by a person authorized to do so by such a power of attorney and

executed by a licensed bail agent of such insurer under penalty of perjury. One person may both issue and execute the bail bond or undertaking of bail if qualified as provided herein.

If executed as provided in this section no further acknowledgment shall be required.

CHAPTER 741

An act to add Sections 39051.5 and 43108 to the Health and Safety Code, relating to air pollution.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 39051.5 is added to the Health and Safety Code, to read:

39051.5. "Schoolbus" means a heavy-duty motor vehicle exclusively designed and built for the transportation of any school, college, or university student to or from educational facilities or activities.

SEC. 2. Section 43108 is added to the Health and Safety Code, to read:

43108. (a) In lieu of certification pursuant to Section 43102, the state board may certify a new motor vehicle designed for exclusive use as a schoolbus, or a new motor vehicle engine intended for use in a schoolbus, if the Administrator of the Environmental Protection Agency has granted a certificate of conformity for the schoolbus or engine pursuant to the Clean Air Act (42 U.S.C. Sec. 1857 et seq.).

(b) The state board shall grant a certification pursuant to subdivision (a) only if the manufacturer of the schoolbus or engine demonstrates that an engine suitable for use in the manufacturer's standard type of schoolbus which meets the applicable emissions standards established by the state board pursuant to Section 43102 is not available for installation.

(c) The state board, prior to granting a certification pursuant to subdivision (a), shall require a showing by the manufacturer of the schoolbus or engine of a good faith effort to procure or manufacture an engine which meets the standards established by the state board pursuant to Section 43102 and, in the case of the schoolbus manufacturer, a good faith effort to accomplish a schoolbus redesign to accommodate such an engine. In the absence of these showings, the state board shall not grant a certification pursuant to subdivision (a).

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CHAPTER 742

An act to amend Section 4507 of the Business and Professions Code, relating to psychiatric technicians.

[Approved by Governor September 3, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 4507 of the Business and Professions Code is amended to read:

4507. This chapter shall not apply to the following:

(a) Physicians and surgeons licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2.

(b) Psychologists licensed pursuant to Chapter 6.6 (commencing with Section 2900) of Division 2.

(c) Registered nurses licensed pursuant to Chapter 6 (commencing with Section 2700) of Division 2.

(d) Vocational nurses licensed pursuant to Chapter 6.5 (commencing with Section 2840) of Division 2.

(e) Social workers or clinical social workers licensed pursuant to Chapter 17 (commencing with Section 9000) of Division 3.

(f) Marriage, family, and child counselors licensed pursuant to Chapter 4 (commencing with Section 17800) of Division 7.

(g) Teachers credentialed pursuant to Chapter 1.5 (commencing with Section 13101) of Division 10 of the Education Code.

CHAPTER 743

An act to amend Sections 22210, 22403, 24210, 24403, and to add Sections 22008.1, 22208.5, 22408.5 and 24408.5 of the Financial Code, relating to personal property brokers and California Small Loan Law licensees.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 22008.1 is added to the Financial Code, to read:

22008.1. "Person" means an individual, a corporation, a partnership, a joint venture, an association, a joint stock company, a trust, an unincorporated organization, a government, or a political subdivision of a government.

SEC. 2. Section 22208.5 is added to the Financial Code, to read:

22208.5. A personal property broker or broker's license upon which the license fee has not been paid as provided in Section 22208

may be reinstated by a licensee at any time prior to the revocation thereof pursuant to Section 22408.5 by the same procedure as set forth in Section 22208 plus a payment to the commissioner of a penalty equal to one-fourth of the stated license fee or fees involved.

SEC. 3. Section 22210 of the Financial Code is amended to read:

22210. If the commissioner finds that any applicant does not possess the requirements specified in this article, he shall, upon reasonable opportunity to be heard, deny the application. Upon the denial of an application, or the withdrawal of an application with the consent of the commissioner, the commissioner shall return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the one hundred dollars ($100) investigation fee to cover the costs of investigating the application. The application shall be considered withdrawn within the meaning of this section if the applicant fails to respond to a written notification of a deficiency in such application within 90 days of the date of such notification. The commissioner shall within 60 days from the filing of a full and complete application for a license with the fees and the approved bond, either issue a license or file a statement of issues prepared in accordance with the provisions of Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, of the Government Code.

SEC. 4. Section 22403 of the Financial Code is amended to read:

22403. (a) If a licensee desires to change its place of business to a street address other than that designated in its license, such person shall give written notice to the commissioner at least 10 days prior to such change. The commissioner shall then attach a written approval of the change and the date of the approval.

(b) If notice is not given at least 10 days prior to such change as required by subdivision (a), the commissioner may assess a civil penalty on such licensee of not to exceed five hundred dollars ($500).

SEC. 5. Section 22408.5 is added to the Financial Code, to read:

22408.5. The commissioner may by order summarily suspend or revoke the license of any licensee if such person fails to file the report required by Section 22408 within 10 days after notice by the commissioner that such report is due and not filed. If, after such an order is made, a request for hearing is filed in writing and the hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date.

SEC. 6. Section 24210 of the Financial Code is amended to read:

24210. If the commissioner finds that any applicant does not possess the requirements specified in this chapter, he shall, upon reasonable opportunity to be heard, deny the application. Upon the denial of an application, or the withdrawal of an application with the consent of the commissioner, the commissioner shall return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the one hundred dollars ($100) investigation fee to cover the costs of investigating the application. The application shall be considered withdrawn within the meaning of this section if the applicant fails to respond to a written notification of a deficiency in

such application within 90 days of the date of such notification. The commissioner shall within 60 days from the filing of a full and complete application for a license with the fees and the approved bond, either issue a license or file a statement of issues prepared in accordance with the provisions of Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, of the Government Code.

SEC. 7. Section 24403 of the Financial Code is amended to read:

24403. (a) If a licensee desires to change its place of business to a street address other than that designated in its license, such person shall give written notice to the commissioner at least 10 days prior to such change. The commissioner shall then attach a written approval of the change and the date of the approval.

(b) If notice is not given at least 10 days prior to such change as required by subdivision (a), the commissioner may assess a civil penalty on such licensee of not to exceed five hundred dollars ($500).

SEC. 8. Section 24408.5 is added to the Financial Code, to read:

24408.5. The commissioner may by order summarily suspend or revoke the license of any licensee if such person fails to file the report required by Section 24408 within 10 days after notice by the commissioner that such report is due and not filed. If, after such an order is made, a request for hearing is filed in writing and the hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date.

CHAPTER 744

An act to amend Sections 650, 651, 655, 656, 660, 668, and 673 of, to amend and renumber Section 267 of, to add Sections 650.1, 652, and 655.3 to, and to repeal Section 652 of, the Harbors and Navigation Code, relating to vessels.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 267 of the Harbors and Navigation Code is amended and renumbered to read:

655.2. Every owner, operator, or person in command of any vessel propelled by machinery is guilty of a misdemeanor who uses it or permits it to be used at a speed in excess of five miles per hour in any portion of the following areas not otherwise regulated by local rules and regulations:

(a) Within 100 feet of any person who is engaged in the act of bathing. A person engaged in the sport of water skiing shall not be considered as engaged in the act of bathing for the purposes of this section.

(b) Within 200 feet of any:

(1) Beach frequented by bathers.

(2) Swimming float, diving platform, or lifeline.

(3) Way or landing float to which boats are made fast or which is being used for the embarkation or discharge of passengers.

The provisions of this section shall apply to all waters which are in fact navigable regardless of whether they are declared navigable by this code.

SEC. 2. Section 650 of the Harbors and Navigation Code is amended to read:

650. It is the policy of this state to promote safety for persons and property in and connected with the use and equipment of vessels and to promote uniformity of laws relating thereto.

SEC. 3. Section 650.1 is added to the Harbors and Navigation Code, to read:

650.1. (a) This chapter shall apply to vessels and associated equipment used, to be used, or carried in vessels used on waters subject to the jurisdiction of this state.

(b) This chapter, except those sections which expressly indicate otherwise, shall not apply to the following:

(1) Foreign vessels temporarily using waters subject to state jurisdiction.

(2) Military or public vessels of the United States, except recreational-type public vessels.

(3) A vessel whose owner is a state or subdivision thereof, which is used principally for governmental purposes, and which is clearly identifiable as such.

(4) Ship's lifeboats.

SEC. 4. Section 651 of the Harbors and Navigation Code is amended to read:

651. As used in this chapter, unless the context clearly requires a different meaning:

(a) "Department" means the Department of Navigation and Ocean Development.

(b) "Director" means the Director of Navigation and Ocean Development.

(c) "Vessel" includes every description of watercraft used or capable of being used as a means of transportation on water, except the following:

(1) A seaplane on the water.

(2) A watercraft specifically designed to operate on a permanently fixed course, the movement of which is restricted to or guided on such permanently fixed course by means of a mechanical device on a fixed track or arm to which the watercraft is attached or by which the watercraft is controlled, or by means of a mechanical device attached to the watercraft itself.

(d) "Boat" means any vessel which is any of the following:

(1) Manufactured or used primarily for noncommercial use.

(2) Leased, rented, or chartered to another for the latter's noncommercial use.

(3) Engaged in the carrying of six or fewer passengers, including those for-hire vessels carrying more than three passengers while using inland waters of the state that are not declared navigable by the United States Coast Guard.

(4) Commercial vessels required to be numbered pursuant to Section 9850 of the Vehicle Code.

(e) "Motorboat" means any vessel propelled by machinery, whether or not such machinery is the principal source of propulsion but shall not include a vessel which has a valid marine document issued by the Bureau of Customs of the United States government or any federal agency successor thereto.

(f) "Owner" is a person having all the incidents of ownership, including the legal title, of a vessel whether or not such person lends, rents, or pledges such vessel; the person entitled to the possession of a vessel as the purchaser under a conditional sale contract; or the mortgagor of a vessel. "Owner" does not include a person holding legal title to a vessel under a conditional sale contract, the mortgagee of a vessel, or the renter or lessor of a vessel to the state or to any county, city, district, or political subdivision of the state under a lease, lease-sale, or rental-purchase agreement which grants possession of the vessel to the lessee for a period of 30 consecutive days or more.

(g) "Legal owner" is a person holding the legal title to a vessel under a conditional sale contract, the mortgagee of a vessel, or the renter or lessor of a vessel to the state, or to any county, city, district or political subdivision of the state, under a lease, lease-sale, or rental-purchase agreement which grants possession of the vessel to the lessee for a period of 30 consecutive days or more.

(h) "Registered owner" is the person registered by the Department of Motor Vehicles as the owner of the vessel.

(i) "Waters of this state" means any waters within the territorial limits of this state.

(j) "Person" means an individual, partnership, firm, corporation, association or other entity, but does not include the United States, the state or a municipality or subdivision thereof.

(k) "Operator" means the person on board who is in control or in charge of a vessel while it is in use.

(*l*) "Undocumented vessel" means any vessel which is not required to have and does not have a valid marine document issued by the United States Coast Guard or any federal agency successor thereto.

(m) "Use" means operate, navigate, or employ.

(n) "State" means a state of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia.

(o) "State of principal use" means the state on which waters a vessel is used or intended to be used most during a calendar year.

(p) "Passenger" means every person carried on board a vessel other than any of the following:

(1) The owner or his representative.

(2) The operator.

(3) Bona fide members of the crew engaged in the business of the vessel who have contributed no consideration for their carriage and who are paid for their services.

(4) Any guest on board a vessel which is being used exclusively for pleasure purposes who has not contributed any consideration, directly or indirectly, for his carriage.

(q) "Associated equipment" means any of the following, excluding radio equipment:

(1) Any system, part, or component of a boat as originally manufactured or any similar part or component manufactured or sold for replacement, repair, or improvement of such system, part, or component.

(2) Any accessory or equipment for, or appurtenance to, a boat.

(3) Any marine safety article, accessory, or equipment intended for use by a person on board a boat.

(r) "Manufacturer" means any person engaged in any of the following:

(1) The manufacture, construction, or assembly of boats or associated equipment.

(2) The manufacture or construction of components for boats and associated equipment to be sold for subsequent assembly.

(3) The importation into this state for sale of boats, associated equipment, or components thereof.

SEC. 5. Section 652 of the Harbors and Navigation Code is repealed.

SEC. 6. Section 652 is added to the Harbors and Navigation Code, to read:

652. (a) The department may issue regulations:

(1) Establishing minimum safety standards for boats and associated equipment.

(2) Requiring the installation, carrying, or using of associated equipment.

(3) Prohibiting the installation, carrying, or using of associated equipment which does not conform with safety standards established pursuant to this chapter.

(b) Such regulations shall be in conformity with the provisions of the federal navigation laws or with the navigation rules promulgated by the United States Coast Guard, or any successor thereto.

(c) No person or public agency shall use or give permission for the use of a vessel which does not carry the equipment or meet the standards established pursuant to this chapter.

SEC. 7. Section 655 of the Harbors and Navigation Code is amended to read:

655. (a) No person shall use any boat or vessel or manipulate any water skis, aquaplane or similar device in a reckless or negligent manner so as to endanger the life, limb, or property of any person. The department shall adopt regulations for the use of boats or vessels, water skis, aquaplanes or similar devices in a manner which will

minimize the danger to life, limb, or property consistent with reasonable use of the equipment for the purpose for which it was designed.

(b) No person shall use any boat or vessel or manipulate any water skis, aquaplane or similar device while under the influence of intoxicating liquor or under the influence of any narcotic as defined in Section 11001 of the Health and Safety Code or any restricted dangerous drug as defined in Section 11901 of the Health and Safety Code.

SEC. 8. Section 655.3 is added to the Harbors and Navigation Code, to read:

655.3. The department may establish and maintain for the use of vessels on the waters of this state rules of the road and pilot rules in conformity with those contained in the federal navigation laws or the navigation rules promulgated by the United States Coast Guard.

SEC. 9. Section 656 of the Harbors and Navigation Code is amended to read:

656. (a) It shall be the duty of the operator of a vessel involved in a collision, accident or other casualty, so far as he can do so without serious danger to his own vessel, crew, and passengers, to render to other persons affected by the collision, accident or other casualty such assistance as may be practicable and as may be necessary in order to save them from or minimize any danger caused by the collision, accident or other casualty, and also to give his name, address, and identification of his vessel in writing to any person injured and to the owner of any property damaged in the collision, accident or other casualty.

(b) Any person who complies with subdivision (a) or who gratuitously and in good faith renders assistance at the scene of a vessel collision, accident, or other casualty without objection by any person assisted shall not be held liable for any civil damages sought as a result of the rendering of assistance or for any act or omission in providing or arranging salvage, towage, medical treatment, or other assistance, where the assisting person has acted as an ordinary, reasonably prudent man would have acted under the same or similar circumstances.

(c) The owner, operator, or other person on board a vessel involved in a casualty or accident shall report the casualty or accident in accordance with regulations adopted by the department. The department shall adopt regulations to maintain a uniform casualty and accident reporting system for vessels subject to this code in conformity with federal casualty and accident reporting regulations promulgated by the United States Coast Guard or any successor thereto. Consistent with Public Law 92-75 and the federal regulations contained in Part 173 of Title 33 of the Code of Federal Regulations, a peace officer or harbor policeman, upon receiving an initial report of a casualty involving the death or disappearance of a person as a result of a boating accident, shall immediately forward such report, by quickest means available, to the department.

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(d) Neither the report required by this section nor any action taken by the department with regard to such report shall be referred to in any way, or be any evidence of negligence or due care of any party, at the trial of any action at law to recover damages.

(e) All required accident reports, and supplemental reports, shall be without prejudice to the individual so reporting and shall be for the confidential use of the department and any peace officer actually engaged in the enforcement of this chapter, except that the department shall disclose the names and addresses of persons involved in, or witnesses to, an accident, the registration numbers and descriptions of vessels involved, and the date, time, and location of an accident to any person who may have a proper interest therein, including the operator or operators involved, or the legal guardian thereof, the parent of a minor operator, the authorized representative of an operator or to any person injured therein and the owners of vessels or property damaged thereby.

(f) The provisions of this section shall apply to foreign vessels, military or public recreational-type vessels, vessels owned by a state or subdivision thereof, and ship's lifeboats otherwise exempted from the provisions of this chapter pursuant to Section 650.1.

SEC. 10. Section 660 of the Harbors and Navigation Code is amended to read:

660. (a) The provisions of this chapter, and of other applicable laws of this state, shall govern the use, equipment, and all other matters relating thereto whenever any boat or vessel shall be used on the waters of this state, or when any activity regulated by this chapter shall take place thereon. Nothing in this chapter shall be construed to prevent the adoption of any ordinance, law, regulation or rule relating to vessels by any entity otherwise authorized by law to adopt such measures, including but not limited to any city, county, city and county, port authority, district or state agency; provided, however, that such measures relating to boats or vessels shall pertain only to time-of-day restrictions, speed zones, special-use areas, and sanitation and pollution control, the provisions of which are not in conflict with the provisions of this chapter or the regulations adopted by the department. Such measures shall be submitted to the department prior to adoption and at least 30 days prior to the effective date thereof.

(b) The department is authorized to make special rules and regulations with reference to the use of any boats or vessels on any body of water within the territorial limits of two or more cities, counties, cities and counties or other political subdivisions where no special rules or regulations exist or when required to establish uniformity in such special rules or regulations as the department may determine (1) are not uniform under local laws and (2) as to which uniformity is practicable and necessary.

(c) Any entity, including but not limited to any city, county, city and county, port authority, district or state agency, otherwise authorized by law to adopt measures governing the use and

equipment, and matters relating thereto, of boats or vessels, may adopt emergency rules and regulations which are not in conflict with the general laws of the state relating to boats and vessels using any waters within the jurisdiction of the entity if such rules and regulations are required to insure the safety of persons and property, because of disaster or other public calamity. Such emergency rules and regulations shall become effective immediately upon adoption and may remain in effect for not to exceed 60 days thereafter. Upon submission of such emergency rules and regulations to the department, the department may authorize the entity to make the emergency rules and regulations effective for such period of time greater than 60 days as is necessary in view of the disaster or circumstances.

SEC. 11. Section 668 of the Harbors and Navigation Code is amended to read:

668. (a) Any person who violates any provisions of Section 652, 654, 654.05, 654.06, 655.2, 655.3, or 659 of this code or any regulations adopted by the department pursuant thereto is guilty of a misdemeanor and shall be subject to a fine of not to exceed fifty dollars ($50) or imprisonment in the county jail for not to exceed five days, or both, for each violation.

(b) Any person who violates any provisions of subdivision (a) or (b) of Section 658 of this code is guilty of a misdemeanor and shall be subject to a fine of not to exceed one hundred dollars ($100) for each violation.

(c) Any person who violates any provision of Sections 652.5, 655, 656, or subdivision (d) or (e) of Section 658 of this code or any special rules and regulations adopted by the department pursuant to the provisions of subdivisions (b) or (c) of Section 660 of this code is guilty of a misdemeanor and shall be subject to a fine of not to exceed five hundred dollars ($500) or imprisonment in the county jail for not to exceed six months, or both, for each violation.

SEC. 12. Section 673 of the Harbors and Navigation Code is amended to read:

673. The owner of a boat livery shall cause to be kept a record of the name and address of the person or persons hiring any boat or vessel subject to this code, the registered identification number of such vessel, the departure date and time, and the expected time of return. The record shall be preserved for at least six months.

SEC. 13. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

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CHAPTER 745

An act to amend Section 32912.5 of, and to add Section 38791.5 to, the Food and Agricultural Code, relating to milk and milk products.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 32912.5 of the Food and Agricultural Code is amended to read:

32912.5. The director shall, after public hearing, by regulations, establish labeling requirements for nutritional content and dietary values of milk products and products resembling milk products. Any labeling requirements adopted by the director pursuant to this section shall be consistent with the nutritional content and dietary values labeling requirements established under the Federal Food, Drug and Cosmetic Act (21 U.S.C., Sec. 301 et seq.). Where the agency administering such federal act has not acted to adopt such labeling requirements, the director may, pursuant to this chapter, establish such requirements. Except as otherwise provided in this chapter, nutritional and dietary values labeling shall be at the option of the manufacturer; however, if such labeling is used, it shall be subject to the regulations adopted under this section.

Sample copies of all nutritional content and dietary values labels to be used in connection with advertising and consumer sales of milk products and products resembling milk products shall be submitted to the director for his approval prior to the use of such labels.

SEC. 2. Section 38791.5 is added to the Food and Agricultural Code, to read:

38791.5. The director, by regulation, may authorize the use of wholesome, edible dairy products as permissible ingredients in eggnog, in addition to the other ingredients provided for by this article.

CHAPTER 746

An act to amend Sections 21, 56, 61, 64, 70, 72, 73, and 74 of, to amend the heading of Chapter 2 (commencing with Section 70) of Division 1 of, to amend the heading of Chapter 4 (commencing with Section 79) of Division 1 of, to add Sections 79, 80, 81, 82, 83, 87, 88, 89, and 89.5 to, and to repeal Sections 70.5, 79, and 89 of, the Labor Code, relating to the reorganization of the executive branch of the California state government.

[Approved by Governor September 3, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 21 of the Labor Code is amended to read:

21. "Labor Commissioner" means Chief of the Division of Labor Standards Enforcement.

SEC. 2. Section 56 of the Labor Code is amended to read:

56. The work of the department shall be divided into at least seven divisions known as the Division of Industrial Accidents, the Division of Industrial Safety, the Division of Labor Standards Enforcement, the Division of Fair Employment Practices, the Division of Labor Statistics and Research, the Division of Apprenticeship Standards, and the State Compensation Insurance Fund.

SEC. 3. Section 61 of the Labor Code is amended to read:

61. The provisions of Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 shall be administered and enforced by the department through the Division of Labor Standards Enforcement.

SEC. 4. Section 64 of the Labor Code is amended to read:

64. The director may enter into reciprocal agreements with the labor department or corresponding agency of any other state or with the person, board, officer or commission authorized to act for and on behalf of such department or agency, for the collection in such other state of claims or judgments for wages and other demands based upon claims previously assigned to the Division of Labor Standards Enforcement.

SEC. 5. The heading of Chapter 2 (commencing with Section 70) of Division 1 of the Labor Code is amended to read:

CHAPTER 2. INDUSTRIAL WELFARE COMMISSION

SEC. 6. Section 70 of the Labor Code is amended to read:

70. There is in the Division of Labor Standards Enforcement the Industrial Welfare Commission which consists of five members. The members of the commission shall be appointed by the Governor, with the consent of the Senate.

SEC. 7. Section 70.5 of the Labor Code is repealed.

SEC. 8. Section 72 of the Labor Code is amended to read:

72. One of the members of the Industrial Welfare Commission may be appointed Chief of the Division of Labor Standards Enforcement. The members of the commission, other than the member who is appointed Chief of the Division of Labor Standards Enforcement, shall receive twenty-five dollars ($25) for each day's actual attendance at meetings of the commission and shall receive their actual and necessary expenses incurred in the performance of their duties.

SEC. 9. Section 73 of the Labor Code is amended to read:

73. The Division of Labor Standards Enforcement shall appoint such staff as needed to carry out its duties and shall loan such personnel as needed to the commission in the performance of its

respective functions, and shall fix their salaries in accordance with law. Personnel loaned to the commission shall be under the supervision of the Chief of the Division of Labor Standards Enforcement.

It is not the intent of the Legislature that the amendment of this section made at the 1969 Regular Session of the Legislature shall be used to justify a budget request for additional funds for the division. It is the intent of the Legislature that at those times when the commission is revising its orders, permanent personnel of the division, at no additional budget expense, be loaned temporarily to assist the commission in the performance of its functions.

SEC. 10. Section 74 of the Labor Code is amended to read:

74. The Chief of the Division of Labor Standards Enforcement, for the purpose of enforcing Industrial Welfare Commission orders and provisions of this code, may issue subpoenas to compel the attendance of witnesses and production of books, papers, and records. Obedience to subpoenas issued by the chief of the division shall be enforced by the courts.

The Chief and enforcement deputies of the Division of Labor Standards Enforcement may administer oaths and examine witnesses under oath for the purpose of enforcing Industrial Welfare Commission orders and provisions of this code.

SEC. 11. The heading of Chapter 4 (commencing with Section 79) of Division 1 of the Labor Code is amended to read:

CHAPTER 4. DIVISION OF LABOR STANDARDS ENFORCEMENT

SEC. 12. Section 79 of the Labor Code is repealed.

SEC. 13. Section 79 is added to the Labor Code, to read:

79. There is in the Department of Industrial Relations the Division of Labor Standards Enforcement. The Division of Labor Standards Enforcement shall be under the direction of an executive officer known as the Chief, Division of Labor Standards Enforcement, who shall be appointed by the Governor, subject to confirmation of the Senate, and shall hold office at the pleasure of the Director of Industrial Relations. The annual salary of the chief shall be determined by the Department of Finance.

SEC. 14. Section 80 is added to the Labor Code, to read:

80. The headquarters of the Division of Labor Standards Enforcement, hereafter in this chapter referred to as the division, shall be located in San Francisco.

SEC. 15. Section 81 is added to the Labor Code, to read:

81. The employees of the division shall devote their full time to the work of the division and shall receive their actual necessary traveling expenses. The division shall maintain offices in San Francisco, Los Angeles, Sacramento, San Diego, Oakland, Fresno, San Jose, and in such other places as the Labor Commissioner may deem necessary.

SEC. 16. Section 82 is added to the Labor Code, to read:

82. (a) The Division of Labor Standards Enforcement succeeds to, and is vested with, all of the powers, duties, purposes, responsibilities, and jurisdiction of the Division of Labor Law Enforcement, which is hereby abolished.

(b) All powers, duties, purposes, and responsibilities of the Labor Commissioner, who is Chief of the Division of Labor Law Enforcement, are hereby transferred to the Labor Commissioner who is the Chief of the Division of Labor Standards Enforcement.

(c) Any regulation or other action made, prescribed, issued, granted, or performed by the abolished Division of Labor Law Enforcement in the administration, performance, or implementation of a function transferred pursuant to subdivision (a) of this section shall remain in effect and shall be deemed to be a regulation or action of the Division of Labor Standards Enforcement unless and until repealed, modified, or rescinded by such division.

(d) Whenever any reference is made in any law to the abolished Division of Labor Law Enforcement, it shall be deemed to be a reference to, and to mean, the Division of Labor Standards Enforcement.

SEC. 17. Section 83 is added to the Labor Code, to read:

83. (a) The Division of Labor Standards Enforcement succeeds to, and is vested with, all of the powers, duties, purposes, responsibilities, and jurisdiction of the Division of Industrial Welfare, which is hereby abolished.

(b) All powers, duties, purposes, and responsibilities of the Chief, Division of Industrial Welfare are hereby transferred to the Chief of the Division of Labor Standards Enforcement.

(c) Any regulation or other action made, prescribed, issued, granted, or performed by the abolished Division of Industrial Welfare in the administration, performance, or implementation of a function transferred pursuant to subdivision (a) of this section shall remain in effect and shall be deemed to be a regulation or action of the Division of Labor Standards Enforcement unless and until repealed, modified, or rescinded by such division.

(d) Whenever any reference is made in any law to the abolished Division of Industrial Welfare it shall be deemed to be a reference to, and to mean, the Division of Labor Standards Enforcement.

SEC. 18. Section 87 is added to the Labor Code, to read:

87. All persons, other than temporary employees, serving in the state civil service and engaged in the performance of a function transferred pursuant to this chapter, or engaged in the administration of a law, the administration of which is transferred pursuant to this chapter, shall, in accordance with Section 19370 of the Government Code, remain in the state civil service and are hereby transferred to the Division of Labor Standards Enforcement. The status, positions, and rights of such persons shall not be affected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act, except as to positions the duties of which are vested in a position that is exempt from civil service.

SEC. 19. Section 88 is added to the Labor Code, to read:

88. The personnel records of all employees transferred pursuant to Section 87 shall remain in the Department of Industrial Relations.

SEC. 20. Section 89 of the Labor Code is repealed.

SEC. 21. Section 89 is added to the Labor Code, to read:

89. The Division of Labor Standards Enforcement shall have possession and control of all records, books, papers, offices, equipment, supplies, moneys, funds, appropriations, land, and other property, real or personal, held for the benefit or use of the Division of Labor Law Enforcement and the Division of Industrial Welfare with respect to the functions transferred pursuant to this chapter.

SEC. 22. Section 89.5 is added to the Labor Code, to read:

89.5. The Division of Labor Standards Enforcement may expend the money in any appropriation or in any special fund in the State Treasury made available by law for the administration of the statutes the administration of which is committed to it pursuant to this chapter, or for the use, support, or maintenance of any board, bureau, commission, department, office, or officer whose duties, powers, and functions have been transferred to, and conferred upon, the Division of Labor Standards Enforcement pursuant to this chapter. Such expenditures by the Division of Labor Standards Enforcement shall be made in accordance with law in carrying out the purposes for which the appropriations were made or the special funds created.

SEC. 23. It is the intent of the Legislature that the affairs of the Division of Labor Law Enforcement and the affairs of the Division of Industrial Welfare be terminated as rapidly as possible by the Chief of the Division of Labor Standards Enforcement.

CHAPTER 747

An act to add Section 1748.5 to the Civil Code, relating to finance charges.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1748.5 is added to the Civil Code, to read:

1748.5. (a) A card issuer shall, no later than February 15th of each year, furnish a statement to each cardholder of the amount of interest or finance charges which the cardholder paid during the preceding calendar year.

(b) This section shall not apply to card issuers or cardholders who issue or use credit cards in connection with a retail installment account, as defined by Section 1802.7.

SEC. 2. This act shall become operative January 1, 1978.

CHAPTER 748

An act to amend Section 1637 of the Revenue and Taxation Code, relating to assessment hearings.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1637 of the Revenue and Taxation Code is amended to read:

1637. Hearings before an assessment hearing officer shall be conducted pursuant to the provisions of Article 1 (commencing with Section 1601) of this chapter governing equalization proceedings by a county board of equalization or an assessment appeals board. The assessment hearing officer may conduct hearings on applications where:

(a) The applicant is the assessee and has filed an application under Section 1607;

(b) The total assessed value of the property under consideration, as shown on the current assessment roll, does not exceed twenty-five thousand dollars ($25,000) or the property under consideration is a single-family dwelling, condominium or cooperative, or a multiple-family dwelling of four units or less regardless of value; and

(c) The applicant has requested that the hearing be held before an assessment hearing officer.

CHAPTER 749

An act to add Section 66784.1 to the Government Code, relating to solid waste management, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 66784.1 is added to the Government Code, to read:

66784.1. In addition to the requirements of Section 66784, no person shall establish sites for solid waste disposal without a finding by the county that the distance from the site to the nearest residential structures is in compliance with all of the state minimum standards for solid waste management, and especially that the distance of residences from the site is sufficient to permit adequate control of noise levels, odor nuisances, traffic congestion, litter nuisances and vectors.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to prevent, as soon as possible, nuisances resulting from the establishment of solid waste disposal sites without approval of the county involved for the health and safety of the persons concerned, it is necessary that this act become effective immediately.

CHAPTER 750

An act to add Article 4 (commencing with Section 1490) to Chapter 2.5 of Division 2 of the Health and Safety Code, and to add Section 13516 to the Penal Code, relating to crimes.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 4 (commencing with Section 1490) is added to Chapter 2.5 of Division 2 of the Health and Safety Code, to read:

Article 4. Victims of Sexual Offenses

1490. Professional personnel trained in the examination of victims of rape and other sexual assaults shall be present or on call at each county hospital located in a county of more than 500,000 population at all times.

1491. In addition to any examination performed without charge to a victim of rape or other sexual assault pursuant to Section 13961.5 of the Government Code, a county hospital shall, without charge, provide the victim of rape or other sexual assault with testing for venereal disease and pregnancy.

1492. A county hospital shall provide persons examined or treated in connection with rape or other sexual assaults with information regarding assistance which may be provided pursuant to Article 1 (commencing with Section 13959) of Chapter 5 of Part 4 of Division 3 of Title 2 of the Government Code, together with forms made available by the State Board of Control for filing of claims thereunder.

1493. The Department of Justice shall, by regulation, adopt a standard and complete form for recordation of medical data disclosed by examination of a victim of rape or other sexual assault.

Each physician and surgeon in a county hospital who conducts an examination for evidence of a rape or other sexual assault shall utilize the standard form adopted pursuant to this section and shall make such observations and perform such tests as may be required for recordation of all the data required by the form. Such forms shall be confidential medical records, and shall only be released as follows:

(a) To the district attorney and investigating officers to aid them in determining whether a criminal complaint is to be filed based on the incident of rape or other sexual assault for which the report is made.

(b) To the defendant in a criminal action based on the incident of rape or other sexual assault for which the report is made.

(c) Pursuant to the rules of discovery, to all parties in a civil action based on the incident of rape or other sexual assault for which the report is made.

(d) To the Department of Justice for statistical purposes, provided that all personal identifying information is deleted from the form before its release.

(e) Pursuant to a court order issued for good cause shown, provided the victim is first notified and provided an opportunity to be heard on the question of release of information.

The department shall make available sufficient copies of such forms to every county hospital and shall provide copies to private general acute care hospitals and to other public general acute care hospitals, upon request.

1494. The State Department of Health shall, by regulation, adopt a standard and complete protocol for the examination and treatment of a victim of rape or other sexual assault.

Medical personnel in a county hospital who examine or treat a victim of rape or other sexual assault shall utilize the protocol.

The department shall transmit a copy of the protocol to every county hospital, private general acute care hospital, and public general acute care hospital.

SEC. 2. Section 13516 is added to the Penal Code, to read:

13516. (a) The commission shall prepare guidelines establishing standard procedures which may be followed by police agencies in the investigation of sexual assault cases, including police response to, and treatment of, victims of such crimes.

(b) The course of training leading to the basic certificate issued by the commission shall, on and after July 1, 1977, include adequate instruction in the procedures described in subdivision (a). No reimbursement shall be made to local agencies based on attendance on or after such date at any such course which does not comply with the requirements of this subdivision.

(c) The commission shall prepare and implement an optional course of training of specialists in the investigation of sexual assault cases.

(d) It is the intent of the Legislature in the enactment of this section to encourage the establishment of sex crime investigation units in police agencies throughout the state.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

CHAPTER 751

An act to amend Sections 21202, 21206, 21207, 21804, and 22111 of, to add Sections 21204, 21208, 21209, 21210, 21717, and 21966 to, and to repeal Section 21204 of, the Vehicle Code, relating to nonmotorized transportation.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 21202 of the Vehicle Code is amended to read:

21202. (a) Any person operating a bicycle upon a roadway at a speed less than the normal speed of traffic moving in the same direction at such time shall ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations:

(1) When overtaking and passing another bicycle or vehicle proceeding in the same direction.

(2) When preparing for a left turn at an intersection or into a private road or driveway.

(3) When reasonably necessary to avoid conditions (including, but not limited to, fixed or moving objects, vehicles, bicycles, pedestrians, animals, surface hazards, or substandard width lanes) that make it unsafe to continue along the right-hand curb or edge, subject to the provisions of Section 21656. For purposes of this section, a "substandard width lane" is a lane that is too narrow for a bicycle and a vehicle to travel safely side by side within the lane.

(b) Any person operating a bicycle upon a roadway of a highway, which highway carries traffic in one direction only and has two or more marked traffic lanes, may ride as near the left-hand curb or edge of such roadway as practicable.

SEC. 4. Section 21204 of the Vehicle Code is repealed.

SEC. 5. Section 21204 is added to the Vehicle Code, to read:

21204. (a) No person operating a bicycle upon a highway shall

ride other than upon or astride a permanent and regular seat attached thereto.

(b) No operator shall allow a person riding as a passenger, and no person shall ride as a passenger, on a bicycle upon a highway other than upon or astride a separate seat attached thereto. If the passenger is a minor weighing 40 pounds or less, the seat shall have adequate provision for retaining the minor in place and for protecting the minor from the moving parts of the bicycle.

SEC. 6. Section 21206 of the Vehicle Code is amended to read:

21206. This chapter does not prevent local authorities, by ordinance, from regulating the registration of bicycles and the parking and operation of bicycles on pedestrian or bicycle facilities, provided such regulation is not in conflict with the provisions of this code.

SEC. 7. Section 21207 of the Vehicle Code, as amended by Section 8 of Chapter 1235 of the Statutes of 1975, is amended to read:

21207. This chapter does not prevent local authorities from establishing, by ordinance or resolution, bicycle lanes separated from any vehicular lanes upon highways, other than state highways as defined in Section 24 of the Streets and Highways Code and county highways established pursuant to Article 5 (commencing with Section 1720) of Chapter 9 of Division 2 of the Streets and Highways Code.

Bicycle lanes established pursuant to this section shall be constructed in compliance with provisions pertaining to bikeways in Section 2376 of the Streets and Highways Code.

SEC. 8. Section 21208 is added to the Vehicle Code, to read:

21208. (a) Whenever a bicycle lane has been established on a roadway pursuant to Section 21207, any person operating a bicycle upon the roadway at a speed less than the normal speed of traffic moving in the same direction shall ride within the bicycle lane, except that such person may move out of the lane under any of the following situations:

(1) When overtaking and passing another bicycle, vehicle, or pedestrian within the lane or about to enter the lane if such overtaking and passing cannot be done safely within the lane.

(2) When preparing for a left turn at an intersection or into a private road or driveway.

(3) When reasonably necessary to leave the bicycle lane to avoid debris or other hazardous conditions.

(b) No person operating a bicycle shall leave a bicycle lane until the movement can be made with reasonable safety and then only after giving an appropriate signal in the manner provided in Chapter 6 (commencing with Section 22100) in the event that any vehicle may be affected by the movement.

SEC. 9. Section 21209 is added to the Vehicle Code, to read:

21209. Whenever a bicycle lane has been established on a roadway pursuant to Section 21207, any person operating a motor vehicle on such roadway shall not drive in the bicycle lane except to

park where parking is permitted, to enter or leave the highway, or to prepare for a turn.

SEC. 10. Section 21210 is added to the Vehicle Code, to read:

21210. No person shall leave a bicycle lying on its side on any sidewalk, or shall park a bicycle on a sidewalk in any other position, so that there is not an adequate path for pedestrian traffic. Local authorities may, by ordinance or resolution, prohibit bicycle parking in designated areas of the public highway, provided that appropriate signs are erected.

SEC. 12. Section 21717 is added to the Vehicle Code, to read:

21717. Whenever it is necessary for the driver of a motor vehicle to cross a bicycle lane that is adjacent to his lane of travel to make a turn, the driver shall drive the motor vehicle into the bicycle lane prior to making the turn and shall make the turn pursuant to Section 22100.

SEC. 13. Section 21804 of the Vehicle Code is amended to read:

21804. The driver of a vehicle about to enter or cross a highway from any public or private property, or from an alley, shall yield the right-of-way to all vehicles and bicycles approaching on the highway.

SEC. 14. Section 21966 is added to the Vehicle Code, to read:

21966. No pedestrian shall proceed along a bicycle path or lane where there is an adjacent adequate pedestrian facility.

SEC. 15. Section 22111 of the Vehicle Code is amended to read:

22111. All required signals given by hand and arm shall be given from the left side of a vehicle in the following manner:

(a) Left turn—hand and arm extended horizontally beyond the side of the vehicle.

(b) Right turn—hand and arm extended upward beyond the side of the vehicle, except that a bicyclist may extend the right hand and arm horizontally to the right side of the bicycle.

(c) Stop or sudden decrease of speed signal—hand and arm extended downward beyond the side of the vehicle.

SEC. 16. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section, nor shall there be any appropriation made by this act, because the Legislature recognizes that, during any legislative session, a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 752

An act to amend Section 1483 of the Health and Safety Code, relating to paramedics.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 1483 of the Health and Safety Code is amended to read:

1483. No physician or nurse, who in good faith gives emergency instructions to a mobile intensive care paramedic at the scene of an emergency, shall be liable for any civil damages as a result of issuing the instructions.

No mobile intensive care paramedic rendering care within the scope of his duties who, in good faith and in a nonnegligent manner, follows the instructions of a physician or nurse shall be liable for any civil damages as a result of following such instructions.

CHAPTER 753

An act to add Section 21167.7 to the Public Resources Code, relating to environmental quality.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 21167.7 is added to the Public Resources Code, to read:

21167.7. Every person who brings an action pursuant to Section 21167 shall comply with the requirements of Section 389.6 of the Code of Civil Procedure. Every such person shall also furnish pursuant to Section 389.6 of the Code of Civil Procedure a copy of any amended or supplemental pleading filed by such person in such action to the Attorney General. No relief, temporary or permanent, shall be granted until a copy of the pleading has been furnished to the Attorney General in accordance with such requirements.

CHAPTER 754

An act to amend Sections 6547 and 6547.2 of, and to add Section 6040.1 to, the Government Code, and to amend Section 5200 of, and to add Sections 3751.7, 4050.1, and 5200.1 to, the Elections Code, relating to revenue bonds.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

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SECTION 1. Section 3751.7 is added to the Elections Code, to read:

3751.7. (a) Notwithstanding the provisions of Section 3751, ordinances authorizing the issuance of revenue bonds by a county as part of a joint powers entity pursuant to Section 6547 of the Government Code shall not take effect for 60 days.

(b) When the number of votes cast for all candidates for Governor at the last gubernatorial election within the boundaries of the county described in subdivision (a) exceeds 500,000, such ordinance is subject to referendum upon presentation of a petition bearing signatures of at least 5 percent of the entire vote cast within the boundaries of the county for all candidates for Governor at the last gubernatorial election. When the number of votes cast for all candidates for Governor at the last gubernatorial election within the boundaries of the county is less than 500,000, such ordinance is subject to referendum upon presentation of a petition bearing signatures of at least 10 percent of the entire vote cast within the boundaries of the county for all candidates for Governor at the last gubernatorial election.

(c) For the purpose of submitting the question to the voters pursuant to subdivision (b), the ballot wording shall approximate the following: "Shall the _____, as a member of the _____
(county name) (joint
_____, authorize the issuance of revenue bonds by the
powers entity name)
joint powers entity in the amount of $_____ pursuant to ordinance number _____, dated _____, such bonds to be used for the following purposes and to be redeemed in the following manner: _____?"

SEC. 2. Section 4050.1 is added to the Elections Code, to read:

4050.1. (a) Notwithstanding the provisions of Section 4050, ordinances authorizing the issuance of revenue bonds by a city as part of a joint powers entity pursuant to Section 6547 of the Government Code shall not take effect for 60 days.

(b) When the number of votes cast for all candidates for Governor at the last gubernatorial election within the boundaries of the city described in subdivision (a) exceeds 500,000, such ordinance is subject to referendum upon presentation of a petition bearing signatures of at least 5 percent of the entire vote cast within the boundaries of the city for all candidates for Governor at the last gubernatorial election. When the number of votes cast for all candidates for Governor at the last gubernatorial election within the boundaries of the city is less than 500,000, such ordinance is subject to referendum upon presentation of a petition bearing signatures of at least 10 percent of the entire vote cast within the boundaries of the city for all candidates for Governor at the last gubernatorial election.

(c) For the purpose of submitting the question to the voters pursuant to subdivision (b), the ballot wording shall approximate the

following: "Shall the _____, as a member of the _____
(city name) (joint
_____, authorize the issuance of revenue bonds by the
powers entity name)
joint powers entity in the amount of $_____ pursuant to ordinance number _____, dated _____, such bonds to be used for the following purposes and to be redeemed in the following manner: _____?"

SEC. 3. Section 5200 of the Elections Code, as added by Chapter 248 of the Statutes of 1976, is amended to read:

5200. The voters of any district, which is a local public entity as defined by Section 900.4 of the Government Code, and to which Section 5150 of this code applies, shall have the right to petition for referendum on legislative acts of such district in the same manner and subject to the same rules as are set forth in Sections 3751, 3751.7, 3752, 3753, 3754 and 3755, except that all computations referred to in those sections and officers of the county mentioned in those sections shall be construed to refer to comparable computations and officers of the district.

SEC. 3.5. Section 5200.1 is added to the Elections Code, to read:

5200.1. (a) Notwithstanding the provisions of Section 5200, ordinances authorizing the issuance of revenue bonds by a school district, special district, or any other local agency as part of a joint powers entity pursuant to Section 6547 of the Government Code shall not take effect for 60 days.

(b) When the number of votes cast for all candidates for Governor at the last gubernatorial election within the boundaries of the school district, special district, or any other local agency described in subdivision (a) exceeds 500,000, such ordinance is subject to referendum upon presentation of a petition bearing signatures of at least 5 percent of the entire vote cast within the boundaries of the school district, special district, or any other local agency for all candidates for Governor at the last gubernatorial election. When the number of votes cast for all candidates for Governor at the last gubernatorial election within the boundaries of the school district, special district, or any other local agency is less than 500,000, such ordinance is subject to referendum upon presentation of a petition bearing signatures of at least 10 percent of the entire vote cast within the boundaries of the school district, special district, or any other local agency for all candidates for Governor at the last gubernatorial election.

(c) For the purpose of submitting the question to the voters pursuant to subdivision (b), the ballot wording shall approximate the following: "Shall the _____
(school district, special district, or any other local
_____, as a member of the _____,
agency name) (joint powers entity name)
authorize the issuance of revenue bonds by the joint powers entity in the amount of $_____ pursuant to ordinance number _____,

dated _____, such bonds to be used for the following purposes and to be redeemed in the following manner: _____?"

SEC. 4. Section 6040.1 is added to the Government Code, to read:

6040.1. (a) Notwithstanding Section 6040, notice shall be given of ordinances enacted to authorize issuance of revenue bonds by joint powers entities and the fact that such ordinance is subject to referendum. All such notices shall meet the following requirements:

(1) Notices shall appear for five consecutive days in at least one daily newspaper of general circulation published in the affected area; and if no such daily publication exists, then at least twice in the weekly newspapers of the area; and if there are no such weekly newspapers, then notice shall be posted for no less than two weeks in at least 15 public places; and

(2) Notices shall state the fact that the ordinance is subject to referendum in no smaller than 10-point type, and describe the procedures for such referendum in no smaller than 8-point type; and

(3) Notices shall describe in no smaller than 8-point type the nature and purpose of the bond issue, the maximum amount of the bond issue, the duration of the proposed indebtedness, the probable or anticipated rate of interest on such bonds, and the anticipated sources of revenue to redeem such bonds; and

(4) Notices shall be of sufficient size to contain the information required by paragraphs (2) and (3).

(b) The cost of such notice shall be borne by the party to the joint powers entity which approves the ordinance, and may be included as part of the cost of the bond issue, to be paid by revenues from the bond issue.

SEC. 5. Section 6547 of the Government Code is amended to read:

6547. The power of the entity to issue revenue bonds is additional to the powers common to the parties to the joint powers agreement, but shall not be exercised until authorized by the parties to that agreement.

Every local agency shall make such authorization by ordinance. The ordinance shall describe in general terms the project, or projects, to be funded by the revenue bonds, the maximum amount of the bonds proposed to be issued, and the anticipated sources of revenue to redeem the bonds. Each such ordinance shall state that it is subject to the provisions for referendum prescribed by Section 3751.7 of the Elections Code.

A separate authorization shall be required for each separate bond issue proposed by the entity.

The requirement of an ordinance and the right to referendum thereon shall not apply to the issuance of revenue bonds if, prior to the effective date of the amendments to this section by the 1971 Legislature, one or more local or public agencies shall have taken formal action to implement any one or more projects to be acquired or constructed pursuant to a joint powers agreement. Formal action

to implement any one or more projects shall include, but not be limited to, any of the following:

(a) The incurring of liability for a substantial portion of an architectural or engineering contract or other contract relating to a project;

(b) The acquisition of land or improvements for the project;

(c) The making of a substantial contribution toward the project.

SEC. 6. Section 6547.2 of the Government Code is amended to read:

6547.2. Notice of the enactment of an ordinance subject to referendum under Section 6547 shall be published after adoption as required by Section 6040.1 within 15 days after the adoption of such ordinance.

If a local agency does not otherwise have statutory power to enact an ordinance pursuant to Section 6547, the governing body of such local agency is hereby empowered to introduce and enact such ordinance at any regular or adjourned regular meeting by the approving votes of a majority of all of its members. If ordinances of a local agency are not otherwise subject to referendum, then (1) the governing body of such local agency may refer any ordinance enacted pursuant to Section 6547 to the electors of such local agency in the same manner as the board of supervisors of a county may refer county questions pursuant to Section 3750 of the Elections Code, and (2) the electors of such local agency shall have the right to petition for referendum on such ordinance in the same manner and subject to the same rules as are set forth in Sections 3751 to 3754, inclusive, of the Elections Code, except that all computations referred to in those sections and officers of the county mentioned in those sections shall be construed to refer to comparable computations and officers of such local agency. If the governing board of a local agency is an elected board the electors of such local agency for the purposes of this section shall be the electors of the territory entitled to vote at elections for members of such governing board. If a local agency does not have an elected governing board, the electors residing within the boundaries of such local agency who would be qualified to vote for candidates for Governor at any gubernatorial election shall be the electors of such local agency for the purposes of this section.

CHAPTER 755

An act to add Section 22859.6 to the Education Code, relating to community colleges.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 22859.6 is added to the Education Code, to read:

22859.6. A student who is a native American is entitled to resident classification for attendance at a community college if the student is also attending a school administered by the Bureau of Indian Affairs located within the community college district.

As used in this section, "native American" means an American Indian.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the act is in accordance with the request of a local government entity which desired legislative authority to act to carry out the program specified herein.

CHAPTER 756

An act to add Section 1025.5 to the Probate Code, relating to probate.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1025.5 is added to the Probate Code, to read:

1025.5. Within one year from the date of issuance of letters in estates not required to file a federal estate tax return and within 18 months from the date of issuance of letters in estates where such return is required, the executor or administrator must either petition for final distribution of the estate or file a verified report of status of administration. If such report is filed, it shall show the condition of the estate and the reasons why the estate cannot be distributed and closed. Notice of the hearing of such report shall be given in the manner provided in Section 1200. Upon the hearing of such report, the court may either order that the administration of the estate continue for such time and upon such terms and conditions as it determines reasonable, provided that it finds that such continuance is in the best interests of the estate or the persons interested therein, or it may order the executor or administrator to file the petition for final distribution.

If such petition or report is not filed by the executor or administrator within the times set forth herein or prescribed by the court, then, upon petition of any person interested in the estate or upon its own motion, the court may cite the executor or administrator to appear before the court and show the condition of the estate and the reasons why the estate cannot be distributed and

closed. Upon the hearing of such citation, the court may either order the administration of the estate to continue as above provided or may order the executor or administrator to file the petition for final distribution.

Failure of the executor or administrator to comply with any order made under this section shall be grounds for revocation of letters.

If, upon the hearing for final distribution or for an allowance upon the commissions of the executor or administrator or upon the fees of the attorney, the court finds that the time taken for administration of the estate exceeds the applicable time set forth herein or prescribed by the court, and was caused by factors within the control of the executor or administrator or the attorney and that such time taken was not in best interests of the estate or the persons interested therein, the court may, notwithstanding the provisions of Sections 901 and 910, reduce the fees or commissions of the person or persons having control of such factors by such amount as the court deems appropriate, regardless of whether the fees or commissions otherwise allowable under the provisions of Sections 901 and 910 would be reasonable compensation for the services rendered by such person or persons.

This section shall be applicable only to the estates of persons dying on or after January 1, 1977.

CHAPTER 757

An act to add Chapter 4.5 (commencing with Section 2771) to Part 2 of Division 1 of the Public Utilities Code, relating to electrical and gas corporations, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 4.5 (commencing with Section 2771) is added to Part 2 of Division 1 of the Public Utilities Code, to read:

CHAPTER 4.5. ELECTRICAL AND GAS CORPORATIONS

2771. The commission shall establish priorities among the types or categories of customers of every electrical corporation and every gas corporation, and among the uses of electricity or gas by such customers. The commission shall determine which of such customers and uses provide the most important public benefits and serve the greatest public need and shall categorize all other customers and uses in order of descending priority based upon these standards. The commission shall establish no such priority after the effective date of

this chapter which would cause any reduction in the transmission of gas to California pursuant to any federal rule, order, or regulation.

2772. In establishing the priorities pursuant to Section 2771, the commission shall include, but not be limited to, a consideration of all of the following:

(a) A determination of the customers and uses of electricity and gas, in descending order of priority, which provide the most important public benefits and serve the greatest public need.

(b) A determination of the customers and uses of electricity and gas which are not included under subdivision (a).

(c) A determination of the economic, social, and other effects of a temporary discontinuance in electrical or gas service to the customers or for the uses determined in accordance with subdivision (a) or (b).

(d) Any curtailment or allocation rules, orders, or regulations issued by any agency of the federal government.

2773. The commission may establish as many priorities of use for a customer as that customer has uses of gas or electricity.

2774. In the event any electrical or gas corporation experiences any shortage of capacity or capability in the generation, production, or transmission of electricity or gas and is unable to obtain electricity or gas from any other source so that the corporation is unable to meet all demands by its customers, the commission shall, to the extent practicable, order that service be temporarily reduced by an amount that reflects the priorities established pursuant to this chapter, for the duration of the shortage. The commission may, to the extent permitted by federal law or regulation, require electrical or gas corporations to mutually assist each other in dealing with shortages resulting from inadequate fuel supplies, and shall determine the terms, including compensation, under which such assistance shall be provided.

2775. No electrical or gas corporation which reduces or discontinues service in accordance with any order of the commission issued pursuant to this chapter shall be liable for any damages to any person or property resulting from such reduction or discontinuance.

SEC. 2. The sum of seventy thousand three hundred eight dollars ($70,308) is hereby appropriated from the General Fund to the Public Utilities Commission to be transferred to and in augmentation of Item 74 of the Budget Act of 1976 for the use and support of the Public Utilities Commission for the 1976–77 fiscal year beginning July 1, 1976, and ending June 30, 1977.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that this act can have its intended effect, that of renewing the existence of urgently needed provisions of law, it is essential that this act take immediate effect.

CHAPTER 758

An act to add and repeal Section 16665 to the Education Code, relating to community services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 16665 is added to the Education Code, to read:

16665. (a) Each elementary, high, and unified school district shall, by October 31, 1976, and August 31 of each year thereafter, report to the Department of Education expenditures made from the proceeds of the tax authorized by Section 20801 in the preceding fiscal year.

(b) Each community college district shall, by August 31 of each year, report to the chancellor's office expenditures made from the proceeds of the tax authorized by Section 20801 in the preceding fiscal year.

(c) A report required by subdivision (a) or (b) shall include:

(1) The rate at which the tax was levied.

(2) The expenditures made from the proceeds of the tax, including employee salaries, employee benefits, supplies, maintenance, other operating costs, debt service, capital outlay, and ending balance at the close of the fiscal year.

(3) Types of programs supported.

(4) Other related information, as determined by the Department of Education or the chancellor's office, as the case may be.

(d) "Capital outlay" as used in paragraph (2) of subdivision (c) means the amounts paid for the acquisition of fixed assets, including land or existing buildings; improvements of grounds; construction of buildings; additions to buildings; or initial and additional equipment.

(e) School district reports developed pursuant to subdivisions (a), (b), and (c) shall be recorded in the minutes and the journal of the governing board of the respective school districts, including community colleges.

(f) The Department of Education and the Chancellor of the California Community Colleges shall annually submit to the Legislature a summary of the contents of the reports submitted to them pursuant to subdivisions (a) and (b), respectively.

(g) This section shall remain in effect only until December 31, 1978, and is repealed as of such date.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this act nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local government

by this act are minor in nature and will not place any financial burden on local government.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to obtain the important information, the reporting of which is required by this act, at the earliest possible time, and so permit better informed administration of community recreation and other programs, it is necessary that this act take effect immediately.

CHAPTER 759

An act to amend Section 20110 of the Education Code, and Section 828 of the Unemployment Insurance Code, relating to schools.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 20110 of the Education Code is amended to read:

20110. The Superintendent of Public Instruction shall represent, and exercise all rights of appeal under this part on behalf of school employers or arrange with a county superintendent of schools or make designation thereof consistent with this section for the filing of appeals for school employers and for the representation of school employers at hearings held under Part 1 (commencing with Section 100) of Division 1 of the Unemployment Insurance Code. The cost of services provided by the Superintendent of Public Instruction under this section and under Article 6 (commencing with Section 821) of Chapter 3 of Part 1 of Division 1 of the Unemployment Insurance Code shall be paid from the Classified School Employees Fund. The Superintendent of Public Instruction is hereby authorized to obtain pertinent personnel records and data from any school employer and to act as an agent individually or collectively for school employers in matters pertaining to unemployment insurance.

Each county superintendent of schools, unless notified by the administrator or the Superintendent of Public Instruction to the contrary, shall perform such duties and render such services as required to implement such program. Any district, combination of districts, county, combination of counties, or combination of counties and school districts, may be designated by the Superintendent of Public Instruction whereby one agency may administer the program for the purpose of consolidation for economy and employment of specialists. This consolidation may include the services of a regional data center operated by a county superintendent of schools or the

data-processing services of a school district.

Each school employer shall perform pursuant to Article 6 (commencing with Section 821) of Chapter 3 of Part 1 of Division 1 of the Unemployment Insurance Code and shall respond to the Superintendent of Public Instruction and the county superintendent of schools or designated agency as soon as possible, in no case later than 48 hours, to inquiries made on behalf of such county superintendent or the Superintendent of Public Instruction in reference to any aspect of eligibility, notice of claim or appeal under the unemployment insurance program. Each county superintendent or agent thereof who is responsible for administering the unemployment insurance program shall be responsible for timely responses to any inquiry by the administrator, Superintendent of Public Instruction, State Treasurer, State Controller, or other officer or person responsible for disbursements on behalf of the joint account, the Classified School Employees Fund in the State Treasury as established by Section 822 of the Unemployment Insurance Code, and the Unemployment Fund in the State Treasury. Any school employer which fails to pay the contributions, interest, charges or levies within the time required shall be liable for interest on moneys due at the rate of 1 percent per month or fraction thereof from and after the date of delinquency until paid. If, except as stated in Section 828 of the Unemployment Insurance Code with reference to Section 826 thereof, the school employer fails, without good cause, to pay any sums required within the time required a penalty of 10 percent of the amount noticed, billed or required shall be made by the administrator. The administrator may for good cause waive all or a portion of interest and penalty.

SEC. 2. Section 828 of the Unemployment Insurance Code is amended to read:

828. Each school employer shall be responsible for a quarterly local experience charge as set forth below, together with such charges or penalties set by the administrator for administrative indiscretions including tardiness, error, as well as all costs for benefits and administration resulting from failure to properly cover an employee. Such reimbursement for charges shall be delinquent 30 days from the date of notice and if not paid within the time required the school employer shall pay a penalty of 10 percent of the unpaid amount plus interest at the rate of 1 percent per month or fraction thereof from and after the date of delinquency until paid. However, if funds are not available to pay local experience charges, when the budget requirements as set forth in Section 826 were adhered to, penalties shall be waived by the administrator for a period of not to exceed nine (9) months. The formula to be used for calculating the local experience charge to be levied against each school employer is as follows:

Local Experience Charge

Step (a) The amount of benefits paid, including benefits paid based on wages paid to employees performing services in specially funded projects, during any quarter shall be divided by the number of employees on the school employer's quarterly contribution return and report of wages to the department for that quarter.

Step (b) The amount derived by step (a) shall be distributed in line 1, then 2 and then 3, in accordance with the following table.

That portion of step (a) which is equal to or exceeds column (a) and is not greater than column (b) shall be multiplied by the rate on the same line.

Value derived in step (a) is to be distributed

Line	Column (a)	Column (b)	Rate
1	$ 0.00 up to	$40.00	10%
2	$40.01 up to	$80.00	5%
3	$80.01 and over		1%

Step (c) The values in step (b) shall be added.

Step (d) The sum derived in step (c) shall be multiplied by the number of employees on the school employer's last quarterly contribution return and report of wages.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

CHAPTER 760

An act to amend Section 53094 of the Government Code, relating to zoning.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 53094 of the Government Code is amended to read:

53094. Notwithstanding any other provisions of this article, the governing board of a school district, by vote of two-thirds of its members, may render a city or county zoning ordinance inapplicable to a proposed use of property by such school district except when the proposed use of the property by such school district is for

nonclassroom facilities, including, but not limited to, warehouses, administrative buildings, automotive storage and repair buildings. The board shall, within 10 days, notify the city or county concerned of such action. If such governing board has taken such action the city or county may commence an action in the superior court of the county whose zoning ordinance is involved or in which is situated the city whose zoning ordinance is involved, seeking a review of such action of the governing board of the school district to determine whether it was arbitrary and capricious. The city or county shall cause a copy of the complaint to be served on the board. If the court determines that such action was arbitrary and capricious, it shall declare it to be of no force and effect, and the zoning ordinance in question shall be applicable to the use of the property by such school district.

SEC. 2. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

CHAPTER 761

An act relating to disposition and leasing of property by the Director of General Services, and making an appropriation therefor.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The Director of General Services, with the approval of the State Public Works Board, is hereby authorized to sell or lease for current market value and upon such terms and conditions and with such reservations and exceptions as in his opinion may be for the best interest of the state, all or any part of the following real property:

Parcel 1. Approximately 8 acres of land, located on the north side of Alamitos County Road, across from the Almaden Reservoir, being an unused forest fire station site in Santa Clara County.

Parcel 2. Approximately 95 acres of land, located off of State Highway 67, about 8 miles southwest of the community of Ramona, being a portion of the Ramona Forest Fire Station in San Diego County.

Parcel 3. Approximately 6.53 acres of land, being the former Brownsville Forest Fire Station, located on Willow Glen County Road, approximately one-half mile south of the community of Brownsville in Yuba County.

Parcel 4. Approximately 50 acres of land, being a portion of the Youth Authority Ventura School, located in the City of Oxnard, in Ventura County.

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Parcel 5. Approximately 7.10 acres of land, being the Coarsegold Forest Fire Station, located about 4 miles southwesterly of the community of Coarsegold on County Road No. 415, in Madera County.

Parcel 6. Approximately 0.2 acres of land at the entrance road to Seacliff State Beach, being a portion of Seacliff State Beach, in Santa Cruz County.

Parcel 7. Approximately 0.49 acres of land, being a portion of the Mt. Danaher Ranger Unit Headquarters, located one-half mile easterly of the town of Camino, on Mt. Danaher Road, in El Dorado County.

Parcel 8. Approximately 2.5 acres of land, being land acquired by the state as partial satisfaction of a personal income tax liability, located on Carter Lane, approximately one-half mile west of the Bermuda Dunes Airport in Riverside County.

Parcel 9. Approximately 1.5 acres of land, being a portion of the Dorris Agricultural Quarantine Inspection Station, located about ¼ mile south of the community of Dorris on State Highway Route 97, in Siskiyou County.

SEC. 2. Notice of every public auction or bid opening shall be posted on the property to be sold and shall be published in a newspaper of general circulation published in the county in which the real property to be sold is situated. All parcels in this act shall be exempt from the provisions of Sections 21000 to 21174, inclusive, of the Public Resources Code.

SEC. 3. Any cost of expense incurred in the disposition of any parcel in this act may be reimbursed from the proceeds of such disposition.

SEC. 4. Subject to Section 3 hereof, any moneys received from the disposition of any parcel in this act, shall be paid into the General Fund, except any money received from the disposition of Parcel 8 as described in Section 1, which shall be paid into the Personal Income Tax Fund and except for Parcels 1 and 2 as described in Section 6, which shall be paid into the Collier Park Preservation Fund.

SEC. 5. As to any property sold or exchanged pursuant to this act containing 10 acres or less, the Director of General Services shall except and reserve to the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, below a depth of 500 feet, without surface rights of entry. As to any such property sold or exchanged containing more than 10 acres, the Director of General Services shall except and reserve in the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine and remove such deposits. Such rights to prospect for, mine and remove shall be limited to those areas of the property conveyed which the director determines to be reasonably necessary for the removal of such resources and deposits.

SEC. 6. The Director of General Services, with the approval of the State Public Works Board and the Director of Parks and

Recreation, is hereby authorized to sell or exchange for current market value and upon such terms and conditions and with such reservations and exceptions as in his opinion may be for the best interest of the state, all or any part of the following properties:

Parcel 1. Approximately 270 acres of land located at the State Parks Reynolds Wayside Campground, with the state reserving a 300-foot wide buffer strip adjacent to the westerly bank of the Eel River, being situated on the west boundary of the Eel River, approximately 14 miles south of the community of Garberville, in Mendocino County.

Parcel 2. Approximately 1.5 acres of land at Topanga State Park located approximately 3 miles north of Will Rogers State Beach, in the City of Los Angeles.

SEC. 7. The Director of General Services, with the approval of the State Public Works Board, is hereby authorized to convey for current market value to Sanitation District No. 1 of Marin County, approximately 10 acres of land at California Prison at San Quentin in Marin County, upon such terms and conditions and with such reservations and exceptions as in his opinion may be for the best interest of the state.

SEC. 8. The Director of General Services, with the approval of the State Public Works Board, shall convey at no cost approximately 9.6 acres of land at the intersection of Arroyo Secco County Road and State Highway 101, being the former Los Coches Wayside Park in Monterey County, which was acquired by the State of California at no cost, to the City of Soledad, upon such terms and conditions as in his opinion may be in the best interests of the state. Any conveyance of such property shall provide that the Richardson Adobe, presently located on the property, shall be maintained by the City of Soledad and that the balance of the site shall be used as a roadside park. Such conveyance shall also expressly provide that violation of either condition shall result in reversion of such property to the state. Violation of either condition shall result in reversion of such property to the state.

SEC. 9. The Director of General Services, with the approval of the State Public Works Board, is hereby authorized to convey to the City of Yountville approximately 9.5 acres of land at the Veterans Home of California, upon such terms and conditions as in his opinion may be for the best interest of the state.

CHAPTER 762

An act to amend Section 4800 of the Civil Code, relating to community property.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 4800 of the Civil Code is amended to read:

4800. (a) Except upon the written agreement of the parties, or on oral stipulation of the parties in open court, the court shall, either in its interlocutory judgment of dissolution of the marriage, in its judgment decreeing the legal separation of the parties, or at a later time if it expressly reserves jurisdiction to make such a property division, divide the community property and the quasi-community property of the parties, including any such property from which a homestead has been selected, equally. For purposes of making such division, the court shall value the assets and liabilities as near as practicable to the time of trial, except that, upon 30 days' notice by the moving party to the other party, the court for good cause shown may value all or any portion of the assets and liabilities at a date after separation and prior to trial to accomplish an equal division of the community property and the quasi-community property of the parties in an equitable manner.

(b) Notwithstanding subdivision (a), the court may divide the community property and quasi-community property of the parties as follows:

(1) Where economic circumstances warrant, the court may award any asset to one party on such conditions as it deems proper to effect a substantially equal division of the property.

(2) As an additional award or offset against existing property, the court may award, from a party's share, any sum it determines to have been deliberately misappropriated by such party to the exclusion of the community property or quasi-community property interest of the other party.

(3) If the net value of the community property and quasi-community property is less than five thousand dollars ($5,000) and one party cannot be located through the exercise of reasonable diligence, the court may award all such property to the other party on such conditions as it deems proper in its final judgment decreeing the dissolution of the marriage or in its judgment decreeing the legal separation of the parties.

(c) Notwithstanding the provisions of subdivision (a), community property personal injury damages shall be assigned to the party who suffered the injuries unless the court, after taking into account the economic condition and needs of each party, the time that has elapsed since the recovery of the damages, and all other facts of the case, determines that the interests of justice require another disposition. In such case, the community property personal injury damages shall be assigned to the respective parties in such proportions as the court determines to be just, except that at least one-half of such damages shall be assigned to the party who suffered the injuries. As used in this subdivision, "community property personal injury damages" means all money or other property received by a married person as community property in satisfaction

of a judgment for damages for his or her personal injuries or pursuant to an agreement for the settlement or compromise of a claim for such damages, unless such money or other property has been commingled with other community property.

(d) The court may make such orders as it deems necessary to carry out the purposes of this section.

CHAPTER 763

An act to amend Section 5401 of the Public Utilities Code, relating to public utilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 5401 of the Public Utilities Code is amended to read:

5401. Charges for the transportation to be offered or afforded by a charter-party carrier of passengers shall be computed and assessed on a vehicle mileage or time of use basis, or on a combination thereof, which charges may vary in accordance with the passenger capacity of the vehicle, or the size of the group to be transported, but it shall not be lawful for a charter-party carrier of passengers to directly or through his agent, or otherwise, or for a broker, to contract, agree, or arrange to charge or to demand or receive compensation for the transportation offered or afforded which shall be computed, charged, or assessed on an individual-fare basis, except schoolbus contractors who are compensated by parents of children attending public, private, or parochial schools.

SEC. 2. The sum of two hundred fifteen thousand dollars ($215,000) is hereby appropriated from the General Fund to the Public Utilities Commission to be transferred to and in augmentation of Item 74 of the Budget Act of 1976 for the use and support of the Public Utilities Commission for the 1976–77 fiscal year beginning July 1, 1976, and ending June 30, 1977. The Public Utilities Commission shall use these funds to exercise its jurisdiction to regulate rates, safety, and service of corporations or persons subject to its jurisdiction and to participate in proceedings before federal regulatory agencies which affect the energy needs of the State of California. In participating before such federal regulatory agencies, the commission shall consult with state agencies such as the Air Resources Board, the Coastal Commission, the State Energy Resources Conservation and Development Commission, the State Lands Commission, the Resources Agency, and any other state agency which indicates that it has an interest in a federal regulatory

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energy proceeding as a result of its statutory responsibility in the State of California. The commission shall represent the united interests of such agencies in such federal proceedings, and reflect any statewide policy that might be developed by the Legislature and approved by the Governor. Disputes between state agencies arising out of the operation of this section shall be resolved by a committee consisting of three persons, one appointed by the Governor, one by the President pro Tempore of the Senate, and one by the Speaker of the Assembly.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The growth of the state and changing conditions attendant thereto have greatly increased the commission's activities and workload. In order that such funds be available for expenditure at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 764

An act relating to drivers' licenses, and making an appropriation therefor.

[Approved by Governor September 4, 1976 Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. (a) The Department of Motor Vehicles shall conduct a study to identify and evaluate its current licensing policies and practices relative to drivers with such mental or physical conditions as may affect their ability to drive safely; and the department shall identify, collect, and analyze all pertinent statistical data regarding drivers with such mental or physical conditions.

(b) The Department of Motor Vehicles, in cooperation with the State Department of Health, may utilize appropriate consultant services and technical assistance for the study if the Department of Motor Vehicles determines such services and assistance are necessary.

SEC. 2. The study conducted pursuant to Section 1 shall include, but is not limited to:

(a) A review of existing driver behavior and traffic safety literature, current medical knowledge, medical and epidemiological opinion, and statistical data on the accident involvement rates of drivers with such mental or physical conditions.

(b) An evaluation as to whether or not any existing state laws or any of the Department of Motor Vehicles' current policies or practices relative to licensing or refusing to license persons with such

mental or physical conditions are justified in accordance with maintaining traffic safety.

(c) The collection of empirical data on the comparative accident rates of drivers with such mental or physical conditions.

(d) An evaluation as to the Department of Motor Vehicles' effectiveness in reducing the accident risk levels of drivers with such mental or physical conditions.

In addition, the study conducted pursuant to Section 1 shall keep separate all data identified, collected, and analyzed for drivers with mental conditions, as distinct from drivers with physical conditions.

SEC. 3. The Department of Motor Vehicles shall report to the Legislature not later than July 1, 1978, as to its findings, and shall make recommendations for possible legislative action.

SEC. 4. The sum of twelve thousand dollars ($12,000) is hereby appropriated from the Motor Vehicle Account in the State Transportation Fund for the purpose of conducting a study of the licensing policies and practices of the Department of Motor Vehicles with respect to drivers with mental or physical conditions which may affect their ability to drive safely.

SEC. 5. This chapter shall remain in effect only until July 1, 1978, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1978, deletes or extends such date.

CHAPTER 765

An act to amend Section 69606 of the Government Code, relating to courts, and making an appropriation therefor.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 69606 of the Government Code is amended to read:

69606. In the County of Ventura there shall be nine judges of the superior court.

SEC. 2. The sum of sixty thousand dollars ($60,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to Ventura County pursuant to Section 2231 of the Revenue and Taxation Code to reimburse the county for costs incurred by the county pursuant to this act.

CHAPTER 766

An act to add Section 11003.3 to the Business and Professions Code, relating to subdivided lands.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11003.3 is added to the Business and Professions Code, to read:

11003.3. A reasonable assessment upon any separately owned lot, parcel or unit in a planned development referred to in Section 11003 made in accordance with a recorded declaration of restrictions shall be a debt of the owner thereof at the time the assessment is made. The amount of any such delinquent assessment plus any other charges thereon, such as interest, costs (including attorneys' fees), and penalties, as such may be provided for in the declaration of restrictions, shall be and become a lien upon the lot, parcel or unit assessed when the owners association causes to be recorded with the county recorder of the county in which such lot, parcel or unit is located a notice of delinquent assessment, which shall state the amount of such delinquent assessment and such other charges thereon as may be authorized by the declaration of restrictions, a description of the lot, parcel or unit against which the same has been assessed, and the name of the record owner thereof. Such notice shall be signed by an authorized representative of the owners association or as otherwise provided in the declaration of restrictions. Upon payment of such delinquent assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the owners association shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof.

Such lien shall be prior to all other liens recorded subsequent to the recordation of such notice of delinquent assessment, except that the declaration of restrictions may provide for the subordination thereof to any other liens and encumbrances. Unless sooner satisfied and released or the enforcement thereof initiated as hereafter provided such lien shall expire and be of no further force or effect one year from the date of recordation of the notice of delinquent assessment. The one-year period may be extended by the owners association for not to exceed one additional year by recording a written extension thereof.

Such lien may be enforced by sale by the owners association, its attorney or other person authorized to make the sale, after failure of the owner to pay such an assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Sections 2924, 2924b and 2924c of the Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any

other manner permitted by law. Unless otherwise provided in the declaration of restrictions, the owners association shall have power to purchase the lot, parcel or unit at foreclosure sale and to hold, lease, mortgage and convey the same.

CHAPTER 767

An act to amend Section 653 of, and to add Section 7466.5 to, the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 653 of the Education Code is amended to read:

653. County boards of education may:

(a) Adopt rules and regulations governing the administration of the office of the county superintendent of schools.

(b) Review the county superintendent of schools annual itemized estimate of anticipated revenue and expenditures before such annual itemized estimate is filed with the auditor as required by Section 29040 of the Government Code and make such revisions, reductions or additions therein that it deems advisable and proper. No such itemized estimate shall be filed by the county superintendent of schools or be approved by the board of supervisors until it has first been so reviewed and approved by the county board of education.

(c) In the name by which the board of education is designated, acquire, hold and convey real property for the purpose of housing the offices and the services of the county superintendent of schools, except that this subdivision shall only apply to such county boards of education to which all the duties and functions of the county board of supervisors have been transferred pursuant to Section 671.

(d) Contract with and employ any persons for the furnishing to the board of special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required. The board may pay from any available funds such compensation to such persons as it deems proper for the services rendered.

SEC. 2. Section 7466.5 is added to the Education Code, to read:

7466.5. A regional occupational program or center, established pursuant to Section 7451, may contract with a community college district to provide vocational education instruction and services for students enrolled, or seeking to enroll, in a regional occupational

center or program. Such instruction and services shall comply with the requirements and standards for regional occupational programs and centers as set forth in the State Plan for Vocational Education.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Conflicting legal opinions are preventing certain county boards of education from obtaining the services necessary to implement Chapter 961 of the Statutes of 1975, as well as jeopardizing the continuation of needed occupational training programs offered by county boards of education under contract with community college districts. Because implementation of Chapter 961 and the beginning of the new school year occur prior to the effective date of statutes regularly enacted during this session of the Legislature, it is necessary that this act go into immediate effect.

CHAPTER 768

An act to amend Section 25124 of the Government Code, and to amend Sections 620.5, 1603, and 1611 of the Revenue and Taxation Code, relating to county procedures.

[Approved by Governor September 4, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 25124 of the Government Code is amended to read:

25124. Before the expiration of 15 days after the passage of an ordinance it shall be published once, with the names of the members voting for and against the ordinance, in a newspaper published in the county if there is one, and if there is no newspaper published in the county, the ordinance shall be posted at the courthouse door within the 15-day period and remain posted thereafter for at least one week. The local agency, at its option, may include in an ordinance reclassifying land either a brief description accompanied by a map of the boundaries of the property, as recited in the notice of hearing, or a complete metes and bounds description accompanied by a map depicting the reclassified property and adjacent properties. A certificate of the clerk or order entered in the minutes of the board that the ordinance has been duly published or posted is prima facie proof of the publication or posting.

SEC. 2. Section 620.5 of the Revenue and Taxation Code is amended to read:

620.5. If real property is acquired after the lien date for the fiscal year and before the first day of such fiscal year and if the new owner

of such real property did not receive the notice required by Section 619 with respect to such property, the new owner or his agent may, under rules adopted by the board of supervisors, file the application described in Section 1603 at any time after the time prescribed in such section and on or before November 15 for a hearing before the county board to equalize the assessment of such property as though such assessment had been made outside the regular assessment period.

SEC. 3. Section 1603 of the Revenue and Taxation Code is amended to read:

1603. (a) A reduction in an assessment on the local roll shall not be made unless the party affected or his agent makes and files with the county board a verified, written application showing the facts claimed to require the reduction and the applicant's opinion of the full value of the property.

(b) In the case of a county of the first class, the application shall be filed between the third Monday in July and September 15. An application that is mailed and postmarked September 15 or earlier within such period shall be deemed to have been filed between the third Monday in July and September 15.

(c) In the case of a county of the second to ninth class, inclusive, the application shall be filed within the time period beginning July 2 and continuing through and including September 15. An application that is mailed and postmarked September 15 or earlier within such period shall be deemed to have been filed within the time period beginning July 2 and continuing through and including September 15.

(d) In all other counties, the application shall be filed between July 2 and August 26. An application that is mailed and postmarked August 26 or earlier within such period shall be deemed to have been filed between July 2 and August 26.

(e) In the form provided for making application pursuant to this section, there shall be a notice that written findings of facts of the local equalization hearing will be available upon written request at the requester's expense and, if not so requested, the right to such written findings is waived. The form shall provide appropriate space for the applicant to request written finding of facts as provided by Section 1611.5.

SEC. 4. Section 1611 of the Revenue and Taxation Code is amended to read:

1611. The county board shall make a record of the hearing and, upon request, shall furnish the party with a tape recording or a transcript thereof at his expense. Request for a tape recording or a transcript may be made at any time, but not later than 60 days following the final determination by the county board.

CHAPTER 769

An act to add Section 17946 to the Education Code, relating to school apportionments, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 17946 is added to the Education Code, to read:

17946. The adjustment in the foundation program prescribed by this article shall not be made for the average daily attendance of pupils who are attending school pursuant to a continuous school program under Chapter 7 (commencing with Section 32100) of Division 22, provided all of the following conditions are met:

(a) Pupils attend continuous school programs for not less than the number of minutes each schoolday provided in the regular classes maintained by the district of the same grade level.

(b) Certificated employees providing instruction in continuous school programs shall be employees of the district who provide such instruction as part of their normal instructional duties.

(c) The educational program offered during intersessions is comparable in scope and quality to the educational program offered during nonintersessions.

(d) Pupils attend school for no more than 180 days per school year.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit this act to be operative for the entire 1976–77 fiscal year, and so facilitate the orderly administration of the system of providing financial support for school districts, it is necessary that this act take effect immediately.

CHAPTER 770

An act to amend Sections 10202 and 10203.4 of the Insurance Code, relating to group life insurance.

[Approved by Governor September 6, 1976 Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 10202 of the Insurance Code is amended to read:

10202. Life insurance conforming to all the following conditions is one form of group life insurance:

(a) Written under a policy covering when issued not less than 10 public or private employees.

(b) Written under a policy issued to the employer, the premium on which is to be paid by the employer or by the employer and employees jointly, and insuring either all of the employees or all of any class or classes thereof, determined by conditions pertaining to the employment; provided, that if a policy is intended to insure several such classes it may be issued to insure any such class of which 75 percent are covered and extended to other classes as 75 percent thereof express the desire to be covered.

(c) For amounts of insurance based upon some plan which will preclude individual selection.

(d) For the benefit of persons other than the employer.

(e) When the premium is to be paid by the employer and employee jointly and the benefits of the policy are offered to all eligible employees, written under a policy insuring, when issued, not less than 75 percent of such employees.

(f) Terminating if, subsequent to issue, (1) the number of employees insured falls below 10 lives or 75 percent of the number of employees eligible and, (2) the employee contributions, if the premiums for the insurance are on a renewable term insurance basis, exceed one dollar ($1) per month per one thousand dollars ($1,000) of insurance coverage plus an amount equal to any additional premium per one thousand dollars ($1,000) of insurance coverage charged to cover one or more hazardous occupations.

Such insurance may be issued either with or without medical examinations.

SEC. 2. Section 10203.4 of the Insurance Code is amended to read:

10203.4. Insurance under any group life insurance policy issued pursuant to Sections 10202, 10202.7, 10202.8, 10203, 10203.1, and 10203.7 may, if 75 percent of the insured employees elect, be extended to insure the dependents, or any class or classes thereof, of each insured employee who so elects, in amounts in accordance with some plan which precludes individual selection and which shall not be in excess of 50 percent of the insurance on the life of such insured employee or one thousand five hundred dollars ($1,500), whichever is less; provided, however, in the case of a dependent whose age at death is under six months, the amount shall not be in excess of one hundred dollars ($100).

"Dependent" includes the member's spouse and all unmarried children from birth through 20 years of age, or through age 22, if the dependent child is attending an educational institution, or a child 21 years of age or over who is both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap

and (b) chiefly dependent upon the employee for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer by the employee within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer, but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

The premiums for the insurance on such dependents may be paid by the employer or by the employee or by the employer and the employee jointly.

CHAPTER 771

An act to amend Section 6815 of the Public Resources Code, relating to state lands.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 6815 of the Public Resources Code is amended to read:

6815. (a) Notwithstanding any other provision of law to the contrary, whenever it appears to the commission that wells drilled upon private or public lands are draining or may drain oil or gas from lands owned by the state, the commission may negotiate and enter into agreements with the private or public owners of such lands or with the owners or operators of such wells or with both the private or public owners of such lands and the owners or operators of such wells from which such drainage is or may be occurring for the payment of compensation to the state for such drainage, or may negotiate and enter into leases for the development of the state lands through drilling from adjoining lands only.

(b) Whenever the provisions of Section 6827 are deemed by the commission to be impracticable in the particular case by reason of the small size or irregular configuration of the property, or its inaccessibility from surface drill sites reasonably available or obtainable, except with respect to lands owned by the state that are not available for lease pursuant to Section 6871.1 and that are described in Section 6871.2, the commission, in lieu of following the provisions of Section 6827, may negotiate and enter into agreements with the private or public owners of lands or owners or operators of wells located on such private or public lands or with both the private or public owners of such lands and the owners or operators of such wells located on such lands which are draining or may drain oil and gas from lands owned by the state for the payment of compensation to the state for such drainage, or may negotiate and enter into leases for the development of the state lands through drilling from

adjoining lands only.

CHAPTER 772

An act to add Article 8.5 (commencing with Section 56315) to Chapter 7 of Division 20 of the Food and Agricultural Code, relating to livestock, and making an appropriation therefor.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 8.5 (commencing with Section 56315) is added to Chapter 7 of Division 20 of the Food and Agricultural Code, to read:

Article 8.5. Liens on Livestock Sold or Delivered to Meatpackers

56315. As used in this article, the following definitions shall apply:

(a) "Livestock" means any cattle, sheep, swine, goat, or any horse, mule, or other equine, whether living or dead.

(b) "Meatpacker" means an establishment where livestock are either slaughtered, the carcasses thereof are prepared, or meat is processed and where state or federal inspection is maintained.

56316. (a) Except as otherwise provided in this section, any person who sells or furnishes livestock to a meatpacker, shall have a lien, not dependent upon possession, on such livestock and upon the identifiable proceeds and products thereof, for the unpaid part of the purchase price, or for the unpaid value of the livestock at the time of the transfer of possession if no purchase price has been agreed upon. The lien shall commence on the date of the transfer of possession of the livestock to the meatpacker and shall have priority over all other liens upon, and security interests in, the livestock and the identifiable proceeds and products thereof, without regard to the time of attachment or perfection of such other liens or security interests and shall remain a lien upon the livestock and the identifiable proceeds and products thereof notwithstanding sale, exchange, or other disposition thereof.

(b) Notwithstanding the provisions of subdivision (a), a buyer in the ordinary course of business, as that term is defined in paragraph (9) of Section 1201 of the Commercial Code, shall take free of such lien even though such buyer knows of the existence of such lien.

(c) Notwithstanding the provisions of subdivision (a), such lien shall cease to be of any force or effect after the expiration of 21 days from the date of delivery of the livestock unless a notice of lien is filed pursuant to subdivision (e), in which case the lien shall remain effective as long as such notice shall remain effective.

(d) No person shall have a lien pursuant to subdivision (a) to the extent that such person shall have made the livestock available to the meatpacker on credit terms.

(e) Any person selling or delivering livestock who claims a lien under this article shall file a statement with the Secretary of the State and a copy thereof with the director both, within 21 days after delivery of the livestock to the meatpacker. The statement shall be in writing, verified by the oath of the person filing, and shall contain all of the following:

(1) The name and address of the person filing.

(2) A statement of the amount demanded by the person filing the statement after deducting all credits and offsets.

(3) The name and address of the meatpacker who received the livestock.

(4) A description of the livestock delivered to the meatpacker and the date of delivery.

(5) A statement that the amount claimed is a true and bona fide existing debt as of the date of the statement.

(6) A statement that the amount claimed is a true and bona fide existing debt as of the date on which payment was due for the livestock.

(g) Every statement which is filed shall be accompanied by the fees required by Chapter 4 (commencing with Section 9401) of Division 9 of the Commercial Code in the case of a financing statement not on the standard form and shall remain effective for a period of five years from the date of filing.

56317. Except as provided in this section, any lien created under Section 56316 shall continue in force for a period of five years from the date of filing of the notice of lien. The lien shall cease at the expiration of five years unless the claimant thereof, or his assignee, or successor in interest, brings suit to foreclose the lien, in which case the lien continues in force until such lien foreclosure suit is finally determined and closed. If such foreclosure proceeding is not prosecuted to trial within two years after the commencement thereof, the court may in its discretion dismiss the foreclosure suit.

The plaintiff in any such lien foreclosure suit may have the property upon which such lien subsists attached, as provided in the Code of Civil Procedure.

Any number of persons claiming liens under this article may join in the same action and when separate actions are commenced, the court may consolidate them. Whenever the sale of the property subject to any lien or liens provided for in this article, under the judgment or decree of foreclosure of such lien or liens, results in a deficiency of proceeds, the proceeds shall be divided pro rata among the lien claimants whose liens are established, regardless of the order in which the liens were created or the order in which the suits to foreclose same were commenced, and the judgment or decree for the deficiency may be docketed against the party personally liable therefor and his sureties, in the same manner and with the same

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effect as in actions for the foreclosure of security interests.

Nothing contained in this article shall be construed to impair or affect the right of any person to whom any debt may be due for livestock sold or delivered to maintain a personal action to recover such debt against the person liable therefor, or his sureties, either in connection with a suit to foreclose the lien or in a separate action. Any person bringing such personal action may take out a separate attachment therefor, notwithstanding his lien or the amount of his debt. In the affidavit to procure an attachment pursuant to such personal action, such person shall state that the attachment is made pursuant to this section, and the judgment, if any, obtained by the plaintiff in such personal action shall not be construed to impair or merge any lien held by such person under this article. Any money collected on such personal judgment shall be credited on the amount of such lien in any action brought to enforce the lien.

56318. Any rights or remedies granted to a person who sells livestock pursuant to this article, are in addition to any other rights or remedies provided by law for such seller.

CHAPTER 773

An act to amend Sections 42360 and 42361 of, and to add Section 42359.5 to, the Health and Safety Code, relating to air pollution.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 42359.5 is added to the Health and Safety Code, to read:

42359.5. (a) Notwithstanding any other provision of this article or of Article 2 (commencing with Section 40820) of Chapter 8 of Part 3, the Chairman of the Hearing Board of the San Diego County Air Pollution Control District, or any other member of that hearing board designated thereby, may issue, without notice and hearing, an emergency variance to an applicant. The emergency variance shall be in effect until the hearing to consider an application by the applicant for a variance other than an emergency variance, but not to exceed 30 days.

(b) The San Diego County Air Pollution Control District Board, in consultation with its air pollution control officer and that hearing board, shall adopt rules and regulations specifying the conditions, and to what extent, an emergency variance may be granted.

SEC. 2. Section 42360 of the Health and Safety Code is amended to read:

42360. Within 30 days of any order granting, modifying, or otherwise affecting a variance by the hearing board, or a member

thereof pursuant to Section 42359.5, either the air pollution control officer or the hearing board shall submit a copy of the order to the state board.

SEC. 3. Section 42361 of the Health and Safety Code is amended to read:

42361. Any variance granted by the hearing board of a county district or a unified district, or any member of such a hearing board pursuant to Section 42359.5, applicable in an area which subsequently becomes included within a regional district, including the bay district, shall remain valid for the time specified therein or for one year, whichever is shorter, or, unless prior to the expiration of such time, the hearing board of the regional district modifies or revokes the variance.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because this act is in accordance with the request of a local government entity or entities which desires legislative authority to act to carry out the program specified in this act.

CHAPTER 774

An act to add Section 2954.2 to the Civil Code, relating to encumbrances.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2954.2 is added to the Civil Code, to read:

2954.2. (a) Every mortgagee of record of real property containing only a one- to four-family residence, when the mortgage is given to secure payment of the balance of the purchase price of the property or to refinance such a mortgage, shall furnish to the mortgagor within 60 days after the end of each calendar year a written statement showing the amount of moneys received for interest and principal repayment, late charges, moneys received and held in or disbursed from an impound account, if any, for the payment of taxes on the property, insurance premiums, bond assessments, or other purposes relating to the property, and interest credited to the account, if any. The written statement required to be furnished by this section shall be deemed furnished if the mortgagee of record transmits to the mortgagor of record cumulative statements or receipts which, for each calendar year, provide in one

of the statements or receipts the information required by this section. The mortgagor, trustor or vendee shall be entitled to receive one such statement for each calendar year without charge and without request. Such statement shall include a notification in 10-point type that additional accountings can be requested by the mortgagor, trustor, or vendee, pursuant to Section 2954.

(b) For the purposes of this section:

(1) "Mortgagee" includes a beneficiary under a deed of trust, a vendor under a real property sale contract, and an organization which services a mortgage or deed of trust by receiving and disbursing payments for the mortgagee or beneficiary.

(2) "Mortgage" includes a first or second mortgage, a first or second deed of trust, and a real property sale contract.

(3) "Impound account" includes a trust or other type of account established for the purposes described in subdivision (a).

(c) The requirements of this section shall be in addition to the requirements of Section 2954.

(d) This section shall become operative on December 31, 1978, and apply to moneys received by a mortgagee on and after January 1, 1978.

CHAPTER 775

An act to amend Section 35409 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 35409 of the Vehicle Code is amended to read:

35409. (a) Any motor vehicle used for the purpose of taking photographs, motion pictures, or television pictures or for teaching safe driving may be equipped with a dismountable platform or other device extending forward of either the fenders or cab structure or radiator, whichever extends farthest toward the front of such vehicle, for a distance not exceeding five feet while such vehicle is in use for such purpose.

(b) Any device used for the sole purpose of teaching safe driving, as provided in subdivision (a), shall be approved by the Department of the California Highway Patrol and the Department of Motor Vehicles.

CHAPTER 776

An act to amend Section 202 of, and to add Section 8732.1 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 202 of the Revenue and Taxation Code is amended to read:

202. (a) The exemption of the following property is as specified in subdivisions (a), (b), (d) and (h) of Section 3 of Article XIII of the Constitution, except as otherwise provided in subdivision (a) of Section 11 thereof:

(1) Growing crops.

(2) Property used for free public libraries and free museums.

(3) Property used exclusively for public schools.

(4) Property belonging to this state, a county, or a city. Property belonging to the State Compensation Insurance Fund is not property belonging to this state.

(b) The exemption described in paragraph (3) of subdivision (a) shall apply to off-campus facilities owned or leased by an apprenticeship program sponsor, if such facilities are used exclusively by the public schools for classes of related and supplemental instruction for apprentices or trainees which are conducted by the public schools under Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

SEC. 2. Section 8732.1 is added to the Revenue and Taxation Code, to read:

8732.1. Without requiring the issuance of a vendor use fuel tax permit, the board may issue written authorization to a political subdivision of this state which holds a valid user use fuel tax permit to furnish fuel as an accommodation to another political subdivision of this state which holds a valid user use fuel tax permit if the board finds that the political subdivision furnishing the fuel agrees to report and pay all taxes applicable to the fuel it furnishes and each political subdivision agrees to keep such records and file such reports as the board deems necessary to unsure that all applicable taxes shall be paid.

For the purposes of this section "political subdivision of this state" means any governmental organization formed and operating under the authority of the laws of this state and includes counties, cities, cities and counties, school districts, fire protection districts, irrigation districts, and recreation districts.

SEC. 3. The Legislature finds and declares that subdivision (d) of Section 3 of Article XIII of the Constitution provides a self-executing property tax exemption for property used exclusively

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for the public schools and that the Legislature is without authority to extend such exemption. However, Ross v. City of Long Beach, 24 Cal. 2d 258, has established that property used exclusively for the public schools need not necessarily be owned by such schools in order to be eligible for the exemption, and the Legislature finds that classes for apprentices or trainees are legitimate functions of the public school system.

Therefore, the Legislature finds that the amendments to Section 202 of the Revenue and Taxation Code by Section 1 of this act are declaratory of existing law and that such amendments cause no actual loss of revenue within the meaning of Section 2229 of the Revenue and Taxation Code because property used exclusively for the public schools is of a type which was not assessed and taxed on January 1, 1973.

CHAPTER 777

An act to add Article 2.5 (commencing with Section 27) to Chapter 1 of Division 1 of Part 1 of the Education Code, relating to education.

[Approved by Governor September 6, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 2.5 (commencing with Section 27) is added to Chapter 1 of Division 1 of Part 1 of the Education Code, to read:

Article 2.5. Purpose

27. Each child is a unique person, with unique needs, and the purpose of the educational system of this state is to enable each child to develop all of his or her own potential.

CHAPTER 778

An act to amend Section 172f of the Penal Code, relating to alcoholic beverages.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 172f of the Penal Code is amended to read:

172f. The provisions of Sections 172, 172a, 172b, 172d, and 172g of this code shall not apply to the sale or the exposing or offering for sale

of any intoxicating liquor in any premises within the areas prescribed by said sections for which a license was issued under the Alcoholic Beverage Control Act (Division 9 (commencing with Section 23000), Business and Professions Code) and is in effect on the effective date of this section or on the effective date of any amendment to Section 172g specifying an additional institution, or in any licensed premises which may become included in such a prescribed area because of the extension of the boundaries of any of the institutions mentioned in said sections or because of the increased enrollment or number of resident students at any of such institutions.

Any such licenses may be transferred from person to person, and may be transferred from premises to premises if the premises to which the license is transferred are not located nearer to the boundaries of the institution, as they exist on the date of the transfer, than the premises from which the license is transferred, except that such license may be transferred once from premises to premises located nearer by not more than 300 feet to the boundaries of the institution as they exist on the date of transfer than the premises from which the license is transferred. If a license is transferred pursuant to this section from premises to premises located nearer by not more than 300 feet to the boundaries of the institution as they exist on the date of the transfer than the premises from which the license is transferred, such license shall not be thereafter transferred to any other premises located nearer to the boundaries of the institution as they exist on the date of the transfer than the premises from which the license is transferred.

CHAPTER 779

An act to add Section 1695.5 to the Labor Code, relating to farm labor contractors.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1695.5 is added to the Labor Code, to read:

1695.5. (a) Every farm labor contractor, upon request of any agricultural grower with whom he has a contract to supply farmworkers, shall immediately furnish the grower with a payroll list of all the contractor's employees working for the grower.

(b) Such payroll list shall be on a uniform form approved by the Labor Commissioner, which shall include, but not be limited to, the employee's name, social security number, permanent and temporary address, telephone number, and length of employment with the grower.

(c) The requirements of this section are in addition to any

requirements of federal law, including the Farm Labor Contractor Registration Act (Chapter 52 (commencing with Section 2041), Title 7, U.S.C.).

CHAPTER 780

An act to amend Section 20204 of the Education Code, relating to community colleges.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 20204 of the Education Code is amended to read:

20204. The tax when collected shall be paid into the county treasury and placed in the community college tuition fund which fund is continued in existence.

Any balance remaining in the county community college tuition fund at the close of the third fiscal year following the inclusion of the remaining nondistrict territory of a county into a community college district or districts shall be used to reduce the county tax rate in the subsequent fiscal year.

CHAPTER 781

An act to amend Section 17203 of the Education Code, relating to school funds.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 17203 of the Education Code is amended to read:

17203. The governing board of any school district which, on or after May 28, 1943, has funds in a special reserve fund of the district or any surplus moneys not required for the immediate necessities of the district, is hereby authorized to invest all or any part of such funds in bonds, notes, bills, certificates, debentures or other obligations, issued by the United States of America, bank time certificates, savings and loan deposits, or obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations,

participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in participation certificates evidencing beneficial interests in obligations, or in the right to receive interest and principal collections therefrom, which obligations have been subjected by one or more government agencies to a trust or trusts for which any executive department, agency, or instrumentality of the United States (or the head thereof) has been named to act as trustee.

Any bonds, notes, bills or certificates, debentures or other obligations, so purchased may be sold and the proceeds reinvested in similar bonds, notes, bills or certificates, debentures or other obligations, of the United States of America, its agencies, or its instrumentalities, or placed in the county treasury for credit to the fund of the district from which purchased. This section shall not be construed as in any way limiting or modifying the application of any other law providing for or authorizing the investment of any funds of a school district. Notwithstanding any other provision of law, interest earned on funds representing the proceeds of bonds of the district shall be deposited and retained in the interest and sinking fund of the district to meet the principal and interest falling due on such bonds.

CHAPTER 782

An act to amend Sections 488 and 670 of the Insurance Code, relating to liability insurance.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 488 of the Insurance Code is amended to read:

488. No insurer shall in issuing or renewing a private passenger automobile insurance policy increase the premium on such policy for the reason that the insured or applicant for insurance has been convicted for traffic violations committed while operating a motor vehicle for compensation during the hours of his employment if, with respect to a conviction, the employee or applicant has submitted to the insurer a written declaration made by the employee under penalty of perjury that the applicant or insured was, at such time, operating a motor vehicle for compensation during the hours of his employment.

This section does not apply to any insured or applicant for insurance convicted of any of the following:

(a) Homicide or assault arising out of the operation of a motor

vehicle for compensation during the hours of employment.

(b) A violation while operating a motor vehicle for compensation during the hours of employment of any of the following sections or section subdivisions: subdivision (a) of 14601, subdivision (a) of 14601.1, 20001, 20002, subdivision (a) of 20008, 23101, 23101.5, subdivision (a) of 23102, subdivision (a) of 23102.5, 23103, 23104, 23105, 23106, or 23108, of the Vehicle Code.

This section shall not apply to any person insured under the California assigned risk plan prescribed by Article 4 (commencing with Section 11620), Chapter 1, Part 3, Division 2 of this code.

SEC. 2. Section 670 of the Insurance Code is amended to read:

670. (a) No admitted insurer licensed to issue motor vehicle liability policies, as defined in Section 16450 of the Vehicle Code, shall cancel, or refuse to renew, a motor vehicle liability insurance policy covering drivers hired to drive by a commercial business establishment nor execute the agreement specified in paragraph (1) of subdivision (d) of Section 11580.1 with respect to such drivers for the reason that such drivers have been convicted of violations of the Vehicle Code or the traffic laws of any subdivision of the state which were committed while operating private passenger vehicles not owned or leased by their employer.

(b) This section does not apply to any drivers convicted of any of the following:

(1) Homicide or assault arising out of the operation of a private passenger motor vehicle.

(2) A violation while operating a private passenger motor vehicle of any of the following sections or section subdivisions: subdivision (a) of Section 14601, subdivision (a) of Section 14601.1, Section 20001, Section 20002, subdivision (a) of Section 20008, 23101, 23104, 23105, 23106, or 23108, of the Vehicle Code.

(3) A second or any subsequent violation, while operating a private passenger motor vehicle, within seven years of a prior violation while operating a private passenger motor vehicle, of Section 23102 of the Vehicle Code.

CHAPTER 783

An act to amend Sections 20065, 20067, 20076, and 20078 of the Education Code, relating to community colleges.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 20065 of the Education Code is amended to read:

20065. On or before November 1, 1967, the governing board of each community college district shall prepare and submit to the chancellor a plan for capital construction for community college purposes of the district for the 10-year period commencing with that date. After January 1, 1975, the plan shall reflect capital construction for community college purposes of the district for the five-year period commencing with the next proposed year of funding. The plan shall be subject to continuing review by the governing board and each year shall be extended one year, and there shall be submitted to the chancellor, on or before the first day of February in each succeeding year, a report outlining the required modifications or changes, if any, in the plan.

The report to be submitted to the chancellor shall include the five-year construction plan and project planning guides covering projects requested for the first year of the five-year construction plan. A copy of the proposed project planning guides shall be transmitted at that time to the Department of Finance and the Joint Legislative Audit Committee for informational purposes.

SEC. 2. Section 20067 of the Education Code is amended to read:

20067. The chancellor shall review and evaluate the plan for capital construction submitted by the governing board of each community college district in terms of the elements of the capital construction program specified in Section 20066, and shall, on the basis of such review and evaluation, make such revision and changes therein as are appropriate, and approve the same. A similar review and evaluation of continuing five-year plans for capital construction submitted by the governing board of each district maintaining a community college shall be made on or before each succeeding first day of May. The chancellor shall, promptly after such approval, notify the governing board of each community college district of the approved form and content of the district's plan for capital construction.

SEC. 3. Section 20076 of the Education Code is amended to read:

20076. The chancellor shall review and evaluate each proposed project with reference to the elements of the capital construction program specified in Section 20066, and if approved after review by the Board of Governors of the California Community Colleges, shall transmit the approved proposed project to the Department of Finance not later than April 1, 1968, and May 1st of each year thereafter. A proposed project not approved shall be returned to the governing board of the community college district with recommendations concerning changes deemed necessary by the chancellor.

SEC. 4. Section 20078 of the Education Code is amended to read:

20078. A proposed project submitted by the governing board of a community college district to the chancellor pursuant to Section 20075 prior to February 1st of each year shall be finally acted upon

by the chancellor pursuant to Section 20076 on or before the next succeeding first day of April 1968, and May 1st of each year thereafter. A proposed project submitted to the Department of Finance pursuant to Section 20076, shall be finally acted upon by the department pursuant to Section 20077 on or before the first day of July 1968, and each year thereafter.

CHAPTER 784

An act relating to an apportionment to the Colfax Elementary School District, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. (a) The sum of fifty-five thousand dollars ($55,000), or so much thereof as may be necessary, is hereby transferred from the General Fund to the State School Fund for an apportionment during the 1976–77 fiscal year to the Colfax Elementary School District.

(b) The apportionment shall be repaid to the state over a three-year period in accordance with the following schedule:

Fiscal year	Amount
1977–78	$15,000
1978–79	$20,000
1979–80	$20,000

The amount scheduled for repayment in each fiscal year shall be repaid together with interest at a rate equal to the rate established for the most recent sale of state bonds as of the date of the disbursement of funds to the district.

(c) The Superintendent of Public Instruction shall withhold from the apportionments to be made to the Colfax Elementary School District from the State School Fund in each year, commencing with 1977–78 fiscal year, an amount equal to the amount which becomes due in the year.

(d) No funds shall be disbursed to the Colfax Elementary School District pursuant to this act unless the district complies fully with the provisions of Article 1.5 (commencing with Section 17325) of Chapter 2 of Division 14 of the Education Code.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to permit the apportionment authorized by this act to be made available to the Colfax Elementary School District during the remainder of the 1976–77 school year, and so permit such district to complete its 1976–77 educational program, it is necessary that this act go into effect immediately.

CHAPTER 785

An act to amend Section 1423 of the Health and Safety Code, relating to long-term health care facilities.

[Approved by Governor September 6, 1976 Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1423 of the Health and Safety Code is amended to read:

1423. If upon inspection or investigation the director determines that a long-term health care facility is in violation of any statutory provision or rule or regulation relating to the operation or maintenance of such facility, except with respect to violations determined to have only a minimal relationship to safety or health pursuant to Section 1427, he shall promptly, but not later than three days, excluding Saturday, Sunday, and holidays, after the date of inspection, issue a citation to the licensee. The citation shall be served upon the licensee personally or by registered mail in accordance with subdivision (c) of Section 11505 of the Government Code. A copy of the citation shall also be sent to each complainant. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the statutory provision, standard, rule or regulation alleged to have been violated. The citation shall fix the earliest feasible time for the elimination of the condition constituting the violation, where appropriate.

CHAPTER 786

An act to amend Section 32132 of the Health and Safety Code, relating to hospital districts.

[Approved by Governor September 6, 1976 Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 32132 of the Health and Safety Code is amended to read:

32132. The board of directors shall let any contract involving an expenditure of more than five thousand dollars ($5,000) for work to be done or for materials and supplies to be furnished, sold, or leased to the district, to the lowest responsible bidder who shall give such security as the board requires, or else reject all bids; provided, however, that the provisions of this section shall not apply to medical or surgical equipment or supplies or to professional services.

Bids need not be secured for change orders which do not materially change the scope of the work as set forth in a contract previously made; provided, that such contract was made after compliance with bidding requirements, and that each individual change order does not total more than 5 percent of such contract.

As used in this section, "medical or surgical equipment or supplies" includes only equipment or supplies commonly, necessarily, and directly used by or under the direction of a physician and surgeon in caring for or treating a patient in a hospital.

Nothing in this section shall prevent any district hospital from participating as a member of any organization described in Section 23704 of the Revenue and Taxation Code, nor shall this section apply to any purchase made or services rendered by such organization on behalf of a district hospital which is a member of such organization.

CHAPTER 787

An act to add Section 14301 to the Public Resources Code, relating to the California Conservation Corps.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 14301 is added to the Public Resources Code, to read:

14301. The Governor shall appoint a director, who shall act as the administrative officer of the corps, and a deputy director. The appointment of the director is subject to confirmation by the Senate at the next regular or special session of the Legislature, and the refusal or failure of the Senate to confirm the appointment shall create a vacancy in the office. The director and deputy director shall be exempt from civil service, under subdivision (f) of Section 4 of Article XXIV of the California Constitution. The director shall employ, pursuant to the provisions of Article XXIV of the California Constitution and Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code, such staff as is necessary to implement the provisions of this division.

SEC. 2. Section 1 of this act shall become operative only if Senate Bill 1575 of the 1975–76 Regular Session is enacted and in such case shall become operative January 1, 1977.

CHAPTER 788

An act to amend Section 6272 of the Harbors and Navigation Code, relating to port districts.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6272 of the Harbors and Navigation Code is amended to read:

6272. Contracts for the doing of work or the purchasing of supplies, the cost of which exceeds three thousand dollars ($3,000), shall be let by the board upon competitive bidding.

Notice of the proposed letting of contract shall be given by publication pursuant to Section 6061 of the Government Code in the county in which the district is located, at least five days before the time fixed for opening bids. Bidding shall be by sealed proposals filed with the district, upon forms furnished by it, and under such rules and regulations as the board may prescribe. All bids shall be publicly opened and declared under procedures established by the board, and the award of the contract shall be made in open session of the board to the lowest and best responsible bidder.

SEC. 2. There are no state-mandated local costs in this act which require reimbursement under Section 2231 of the Revenue and Taxation Code because this act makes only technical changes to existing law.

CHAPTER 789

An act to amend Section 415.10 of the Code of Civil Procedure, relating to service of summons.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 415.10 of the Code of Civil Procedure is amended to read:

415.10. A summons may be served by personal delivery of a copy of the summons and of the complaint to the person to be served.

Service of a summons in this manner is deemed complete at the time of such delivery.

The date upon which personal delivery is made shall be entered on or affixed to the face of the copy of the summons at the time of its delivery. However, service of a summons without such date shall be valid and effective.

CHAPTER 790

An act to add Article 6 (commencing with Section 41251) to Chapter 3 of Division 16 of the Food and Agricultural Code, relating to grapes.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 6 (commencing with Section 41251) is added to Chapter 3 of Division 16 of the Food and Agricultural Code, to read:

Article 6. Growers Grape Inspection Advisory Committee

41251. There is in the department a Growers Grape Inspection Advisory Committee, consisting of eight wine grape growers and one public member who has no direct economic interest in the growing or processing of grapes.

41252. The members of the committee shall be appointed by the director. The members of the committee shall serve without compensation.

41253. The term of office of each member of the committee is three years. Appointment of the first members shall be made so that the term of office of three members, of which one shall be a public member, shall expire at the end of one year, three at the end of two years, and three at the end of three years.

41254. The committee shall be advisory to the director on all matters pertaining to this chapter and certification of the quality of grapes used for processing pursuant to Section 40531 and shall make recommendations concerning the inspection and certification services rendered.

CHAPTER 791

An act to amend Sections 5764.5, 5779, 5780, 6443.5, 6445.11, 6499.237, and 6812.1 of, to add Article 7 (commencing with Section 490) to Chapter 3 of Division 2 of Part 1 of, and to repeal Sections 530, 5766.2, 5774.7, 5819, 6280, 6461, 6499.41, 6499.42, 6499.57, 6499.201, 7495.32, 12840, 12841, 12842, 13355.9, 32135, and 36001 of, and to repeal Chapters 10.1 (commencing with Section 6961) and 17 (commencing with Section 7497) of Division 6 of Part 2 of, the Education Code, and to repeal Section 6 of Chapter 1239 of the Statutes of 1971, relating to educational evaluations.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 7 (commencing with Section 490) is added to Chapter 3 of Division 2 of Part 1 of the Education Code, to read:

Article 7. Educational Evaluations

490. It is the intention of the Legislature in enacting this article that:

(a) Evaluations shall be performed in such a manner as to minimize the resources required of school districts in the collection, analysis, and reporting of evaluation information. In order to achieve this goal, program evaluations shall require only that information which is essential to the Department of Education for carrying out statutorily mandated functions, and shall be conducted only as necessary for the conduct of such functions. In addition, such evaluations shall (1) be fully coordinated with one another, (2) make maximum use of the statewide testing program when appropriate, and (3) make maximum use of appropriate scientific sampling procedures.

(b) Evaluations shall be performed and reported in such a manner as to maximize their utility to decisionmakers in the Legislature.

490.3. The Department of Education shall submit to the State Board of Education a detailed, annual plan of evaluation activities not later than March 15th of each year. The board shall review the plan in accordance with the criteria specified in subdivisions (a) and (b) of Section 490.

490.5. The Department of Education shall submit to the Legislature not later than March 5th of each year a summary of program evaluations. The report shall summarize the findings of program evaluations conducted by the department. It shall provide information concerning (a) the funding history, (b) the number of pupils involved, (c) the program objectives, (d) its effectiveness in

reaching program objectives, and (e) the effectiveness and relative effectiveness in promoting pupil achievement of different programs.

The annual summary shall include a brief description of educational projects, programs, or program components which are maintained by an individual school regardless of state, federal, or local funding sources which are exemplary.

491.3. The Department of Education shall perform evaluations of educational programs in accordance with one of the following levels of evaluation.

(a) A descriptive report of an individual educational program which describes the objectives and components of the subject program, the number of pupils involved, and contains general information regarding the program's cost and the extent of implementation of the program.

The department shall prepare or have prepared descriptive reports for the following programs:

(1) Experimental kindergarten programs, pursuant to Section 17507.7;

(2) Year-round school programs, pursuant to Chapter 16 (commencing with Section 7495) of Division 6 and Chapter 7 (commencing with Section 32100) of Division 22;

(3) Indian education centers, pursuant to Article 2 (commencing with Section 526) of Chapter 4.5 of Division 2;

(4) Bilingual teacher corps, pursuant to Chapter 5.75 (commencing with Section 5766) of Division 6;

(5) Alternative schools programs, pursuant to Article 2.3 (commencing with Section 5811) of Chapter 6 of Division 6;

(6) Private schools for the handicapped, pursuant to Chapter 8.2 (commencing with Section 6870) of Chapter 8 of Division 6; and

(7) Professional development centers, pursuant to Article 3.6 (commencing with Section 13355) of Chapter 2 of Division 10.

(b) Individual program evaluations performed pursuant to Sections 581.1, 6497, 7463, and 7026.

(c) A multiple-funded program evaluation, consisting of a comprehensive evaluation of the impact on a local school site of educational programs which are financed by multiple state or federal sources.

The Department of Education shall perform multiple funded program evaluations for the following programs:

(1) Early Childhood Education programs, pursuant to Chapter 6.1 (commencing with Section 6445) of Division 6;

(2) Educationally disadvantaged youth programs, pursuant to Chapter 6.10 (commencing with Section 6499.230) of Division 6;

(3) Compensatory education, pursuant to Article 2 (commencing with Section 6456) of Chapter 6.5 of Division 6;

(4) Bilingual education programs, pursuant to Chapter 5.7 (commencing with Section 5761) of Division 6; and

(5) Miller-Unruh reading programs, pursuant to Article 3 (commencing with Section 5779) of Chapter 5.8 of Division 6.

Such evaluation shall contain information obtained by whatever means possible regarding pupil growth in the subject program, information regarding the expected achievement of comparable groups of pupils who do not receive specialized educational services, information regarding program costs, and inferential judgments regarding the effectiveness of the programs. An objective of such evaluation shall be to illustrate the relative effectiveness of different program elements regardless of source of funding. The Department of Education shall identify those programs which are judged to be least effective.

For each of the funding sources identified in the multiple-funded evaluation report, the Department of Education shall include a separate chapter which will present data from schools funded solely by that source. Each of these chapters will provide, to the extent possible, information regarding pupil growth, the expected achievement of comparable groups of pupils, information regarding program costs, and inferential judgments regarding the quality of programs funded by that source.

491.5. It is the understanding of the Legislature that the evaluation needs of the educational programs specified in Section 491.3 change over a period of time and during the progress of the programs and, therefore, the Legislature may require through supplemental language to the Budget Act: (a) That additional types of information or reporting formats be employed; (b) That the level of evaluation specified in subdivision (a), (b), or (c) of Section 491.3 be altered to reflect current needs; and (c) That an evaluation shall be conducted by contracted, independent evaluators.

492. Not later than January 5 of each year, the department shall submit to the Legislature the multiple-funded program evaluation required by this article. The department shall submit in one evaluation report the results of multiple-funded programs. Such report shall detail the test instruments used to assess the impact of the specialized educational program, the statistical techniques employed, the number of pupils and schools participating in the special program, and the number of schools and pupils which provide educational data which are subsequently used to determine the program's effectiveness.

SEC. 2. Section 530 of the Education Code is repealed.

SEC. 3. Section 5764.5 of the Education Code is amended to read:

5764.5. The Department of Education shall administer the provisions of this chapter. The responsiblities of the Department of Education in administering this chapter shall include, but are not limited to, the following:

(a) To review proposals from school districts made in accordance with this chapter; and to recommend acceptable projects for approval by the board;

(b) To encourage experimentation and innovation in the field of bilingual education at the school, district and state levels;

(c) To foster the maximum practicable involvement of parents of children enrolled in bilingual classes;

(d) To make recommendations to districts in the areas of in-service training for teachers and teacher aides, curriculum, testing and testing mechanisms, and the development of materials for bilingual education classes;

(e) To develop and recommend to the Commission for Teacher Preparation and Licensing standards for the certification of teaching personnel for bilingual classes;

(f) To develop an annual evaluation of bilingual programs within the state for submission to the Legislature and to the Governor. The evaluation submitted to the Legislature shall contain information concerning: (1) the total number of students at each grade level participating in the program funded under the chapter, and (2) program effectiveness in achieving the objectives of this chapter, including a reliable assessment of student progress in language development.

SEC. 4. Section 5766.2 of the Education Code is repealed.

SEC. 5. Section 5774.7 of the Education Code is repealed.

SEC. 6. Section 5779 of the Education Code is amended to read:

5779. The State Board of Education shall require each school district to administer uniform tests to each pupil not later than his third month of attendance in the first grade. The first-grade entry level test shall obtain a composite estimate for each pupil of skills related to learning and memory, attention, visual perception, and auditory comprehension. The answer sheets shall be transmitted to the Department of Education for scoring. If no published test is deemed suitable, the State Board of Education may combine parts of available tests or develop a new test.

The State Board of Education shall also require each school district to administer uniform tests in reading annually to pupils in grades 2 and 3. Such tests shall be recommended by the Department of Education and shall be submitted to the State Board of Education for approval and adoption. If no published test is deemed suitable, the Department of Education may combine parts of available tests or develop a new test. Any test so adopted shall be equated to nationally normed tests so that the performance of California pupils may be compared to that of a national sample. The tests which have been approved and adopted by the board shall be printed or purchased and distributed to the various school districts in the state by the Department of Education. The answer sheets shall be transmitted to the Department of Education for scoring.

The State Board of Education shall develop a testing method that will obtain an accurate estimate of statewide performance of pupils in grades 2 and 3 in reading. Under such a testing method, the Department of Education shall determine whether pupils in a given school shall be administered the entire test or whether the pupils shall be administered a portion of the test which will be representative of all test objectives, goals, or categories of items on

the entire test.

The procedure required by this section shall be implemented not later than the 1975–76 school year.

The State Board of Education shall determine the form in which the answer sheets for the first-grade entry level test shall be transmitted to the Department of Education for scoring, and the form in which the answer sheets for the uniform tests in reading for grades 2 and 3 shall be transmitted to the Department of Education for scoring.

The State Board of Education shall analyze the progress achieved by third grade pupils using the first-grade entry level test results as a basis for identifying comparable pupils receiving various kinds of reading instruction.

The State Board of Education shall adopt rules and regulations governing the time, place, and methods for administration of the testing program under this article.

The tests administered pursuant to this article shall be employed to determine each school district's quota of specialist reading teachers, as required by Article 4 (commencing with Section 5781) of this chapter.

Commencing with tests administered in the 1972–1973 school year, school districts shall submit answer sheets and related pupil information on a per-school basis.

SEC. 7. Section 5780 of the Education Code is amended to read:

5780. The scores of tests provided pursuant to Section 5779 of those pupils in grades 2 and 3 who have participated in a remedial program shall be maintained and treated separately.

From a study of the results of these tests in districts which conduct a basic reading program pursuant to this chapter, and the test results in districts which do not conduct such a program, the Superintendent of Public Instruction shall evaluate basic reading programs, and he shall report his findings annually to the State Board of Education.

SEC. 8. Section 5819 of the Education Code is repealed.

SEC. 9. Section 6280 of the Education Code is repealed.

SEC. 10. Section 6443.5 of the Education Code is amended to read:

6443.5. (a) Under rules and regulations adopted pursuant to Section 6444.1, the Superintendent of Public Instruction shall administer a high-quality instructional television service for the public school pupils of California, such service to include but not be limited to:

(1) Providing for an equitable high-quality instructional television service to be made available to the largest feasible number of public school pupils utilizing the most appropriate delivery systems;

(2) Providing for contracts with local educational authorities acting on behalf of regional organizations, or directly with regional organizations if they are eligible to enter into such contracts, for assistance in carrying out the following activities:

(A) Developing and implementing an instructional television service in each region, the content and scheduling of which shall be determined by the local school districts which have elected to participate in the instructional television service provided by a regional organization.

(B) Developing and implementing teacher training and parent involvement programs to maximize the school and home use of instructional television;

(3) Providing for the production of the highest quality instructional television programs possible within the limits of available resources, for distribution by all of the regional organizations on a statewide basis, the content of which will be in the areas of highest priorities of statewide need as determined by the local school districts and the regional organizations in which they participate and with the advice of the State Instructional Television Advisory Committee;

(4) Providing technical assistance to the regional organizations to assist them in the production of the highest quality programming possible within the limitation of available resources, using local district funds. Subject areas for such production shall be determined by the local school districts and the regional organizations and it is expected that such programming will be needed to meet unique regional educational needs;

(5) Providing for the acquisition of programs for the instructional television service on behalf of the regional organizations; and

(6) Providing for statewide coordination among regional organizations, offices of county superintendents of schools, school districts, and other agencies concerned with instructional television services for the purpose of eliminating unnecessary duplication of effort and facilitating the development and economical provision of high-quality programming and utilization in the areas of highest priorities of need as defined by local school districts, regional organizations, the State Instructional Television Advisory Committee, and the Superintendent of Public Instruction.

SEC. 11. Section 6445.11 of the Education Code is amended to read:

6445.11. The Department of Education shall compute an index of student attainment for each participating school, using factors which have been shown to be predictive of school success. The obtained score for each school shall be weighted by the degree this score meets or exceeds the predicted school achievement level. Obtained scores falling below the predicted level of attainment shall be treated as a zero score. The Department of Education shall inform each participating district of the relative performance of their participating schools. Such data shall be analyzed regularly and included in the evaluation report required by subdivision (c) of Section 491.3.

SEC. 12. Section 6461 of the Education Code is repealed.

SEC. 13. Section 6499.41 of the Education Code is repealed.

SEC. 14. Section 6499.42 of the Education Code is repealed.

SEC. 15. Section 6499.57 of the Education Code is repealed.

SEC. 16. Section 6499.201 of the Education Code is repealed.

SEC. 17. Section 6499.237 of the Education Code is amended to read:

6499.237. The Superintendent of Public Instruction shall submit annually to the Governor and to each house of the Legislature a report evaluating the programs established pursuant to this chapter, together with his recommendations concerning whether the same should be continued in operation.

The evaluation submitted to the Legislature pursuant to this section shall contain information concerning: (a) the total number of students at each grade level participating in the programs funded under this chapter, and (b) the effectiveness of the programs funded under this chapter based to the maximum extent possible on objective measurements.

SEC. 18. Section 6812.1 of the Education Code is amended to read:

6812.1. Pupils between the ages of 3 and 21 and who are multihandicapped, as determined by the State Board of Education, may be enrolled in special day classes for the multihandicapped conducted by a school district or county superintendent of schools. Special day classes for multihandicapped pupils shall be approved in advance by the Superintendent of Public Instruction.

The Superintendent of Public Instruction shall approve not more than 100 classes during the 1970–1971 fiscal year and not more than 50 additional classes each fiscal year thereafter, not to exceed a total of 400 classes.

SEC. 19. Chapter 10.1 (commencing with Section 6961) of Division 6 of Part 2 of the Education Code is repealed.

SEC. 20. Section 7495.32 of the Education Code is repealed.

SEC. 21. Chapter 17 (commencing with Section 7497) of Division 6 of Part 2 of the Education Code is repealed.

SEC. 22. Section 12840 of the Education Code is repealed.

SEC. 23. Section 12841 of the Education Code is repealed.

SEC. 24. Section 12842 of the Education Code is repealed.

SEC. 25. Section 13355.9 of the Education Code is repealed.

SEC. 26. Section 32135 of the Education Code is repealed.

SEC. 27. Section 36001 of the Education Code is repealed.

SEC. 28. Section 6 of Chapter 1239 of the Statutes of 1971 is repealed.

CHAPTER 792

An act to amend Sections 10100 and 10101 of the Health and Safety Code, relating to birth registration.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 10100 of the Health and Safety Code is amended to read:

10100. Each live birth shall be registered with the local registrar of births and deaths for the district in which the birth occurred within 10 days following the date of the event.

SEC. 2. Section 10101 of the Health and Safety Code is amended to read:

10101. For live births which occur in a hospital, the administrator of the hospital or his representative designated by him in writing shall be responsible for registering the certificate with the local registrar within the time specified in Section 10100.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

CHAPTER 793

An act to amend Sections 3008 and 3403 of, and to add Section 3403.5 to, the Public Resources Code, relating to oil and gas resources.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3008 of the Public Resources Code is amended to read:

3008. (a) "Well" means any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas; any well drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery, repressuring or pressure maintenance of oil or gas reservoirs, or disposing of waste fluids from an oil or gas field; any well used to inject or withdraw gas from an underground storage facility; or any well drilled within or adjacent to an oil or gas pool for the purpose of obtaining water to be used in production stimulation or repressuring operations.

(b) "Prospect well" means any well drilled to extend a field or explore a new, potentially productive reservoir.

SEC. 2. Section 3403 of the Public Resources Code is amended to read:

3403. There shall annually be imposed upon the person operating each gas well in this state, or owning royalty or other interests with respect to the production from such well, a charge, which shall be payable to the State Treasurer, based upon the amount of gas produced in the preceding calendar year, other than gas which is used for recycling or otherwise in oil-producing operations, and which shall be computed at a uniform rate per thousand cubic feet. The charge shall be apportioned among all of such persons in fractional amounts proportionate to their respective fractional interests with respect to the production of such well, but the whole of such charge shall be payable by the operator, who shall withhold the respective proportionate shares of such charge from the amounts otherwise payable or deliverable to such owners of royalty or other interests.

SEC. 3. Section 3403.5 is added to the Public Resources Code, to read:

3403.5. (a) The Legislature finds that there are underground storage facilities for gas that utilize depleted or partially depleted oil or gas reservoirs. Purchased gas, usually from out of state, is injected for storage and withdrawn during peak load periods. The supervisor is required to maintain surveillance over these facilities to insure that the original reserves are not lost, that drilling of new wells is conducted properly, and that no damage occurs to the environment by reason of injection and withdrawal of gas.

(b) In order to help support the regulatory effort of the supervisor, there shall be imposed an annual charge computed at a uniform rate on the gross gas withdrawn from an underground storage facility during the preceding calendar year. Such charge shall not exceed the actual cost incurred by the state in conducting the activities described in this section.

CHAPTER 794

An act to amend Sections 3204, 3205, 3205.5, 3207, 3208, 3209, 3723.5, 3725, 3726, 3728, 3728.5, and 3729 of, and to repeal Sections 3206 and 3727 of, the Public Resources Code, relating to oil, gas, and geothermal wells.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3204 of the Public Resources Code is amended to read:

3204. Every person who engages in the drilling, redrilling, or deepening, or in any operation permanently altering in any manner the casing, of any well shall file with the supervisor an individual indemnity bond in the sum of twenty-five thousand dollars ($25,000) for each well so drilled, redrilled, deepened, or permanently altered. The bond shall be filed with the supervisor at the time of the filing of the notice of intention to perform work on the well, as provided in Section 3203. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, conditioned that the principal named in the bond shall faithfully comply with all the provisions of this chapter, in drilling, redrilling, deepening, or permanently altering any well or wells covered by the bond, and shall secure the state against all losses, charges, and expenses incurred by it to obtain such compliance by the principal named in the bond.

The conditions of the bond shall be stated in substantially the following language:

"If said _____, the above bounden principal, shall well and truly comply with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code and shall obey all lawful orders of the State Oil and Gas Supervisor or his district deputy or deputies, subject to subsequent appeal as provided in that division, and shall pay all charges, costs, and expenses incurred by the supervisor or his district deputy or deputies in respect of such well or wells or the property or properties of said principal, or assessed against such well or wells or the property or properties of such principal, in pursuance of the provisions of said division, then this obligation shall be void; otherwise, it shall remain in full force and effect."

SEC. 2. Section 3205 of the Public Resources Code is amended to read:

3205. Any person who engages in the drilling, redrilling, deepening, or in any operation permanently altering in any manner the casing, of one or more wells at any time, may file with the supervisor one blanket indemnity bond for two hundred fifty thousand dollars ($250,000) to cover all his operations in drilling, redrilling, deepening, or permanently altering any of his wells in the state in lieu of an individual indemnity bond for each well drilled, redrilled, deepened, or permanently altered. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, and shall be in substantially the same language and upon the same conditions as provided in Section 3204, except as to the difference in the amount.

SEC. 3. Section 3205.5 of the Public Resources Code is amended to read:

3205.5. In lieu of the bond required by Sections 3204 and 3205, a person may, with the written approval of the supervisor, file a cash

bond in the applicable amount, evidence of deposit in banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, investment certificates or share accounts in the applicable amount issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation, or bonds issued by the United States or the State of California in the principal amounts of thirty thousand dollars ($30,000) or three hundred thousand dollars ($300,000), whichever is applicable, with the State Treasurer. Such bond or security filed in lieu thereof shall be subject to all conditions set forth in Sections 3204, 3205, 3207, and 3208.

SEC. 4. Section 3206 of the Public Resources Code is repealed.

SEC. 5. Section 3207 of the Public Resources Code is amended to read:

3207. Any individual or blanket indemnity bond issued in compliance with this chapter may, with the consent of the supervisor, be terminated and canceled and the surety be relieved of all obligations thereunder when the well or wells covered by such bond have been properly abandoned or another valid bond has been substituted therefor. Should the person who has filed a blanket bond properly abandon a portion of his wells covered by the bond, the bond may, with the consent of the supervisor, be terminated and canceled and the surety be relieved of all obligations thereunder upon the filing by such person of an individual bond for each well which is still producing or which he is still engaged in drilling, redrilling, deepening, or permanently altering. Liability as to individual wells that have been drilled and abandoned under a blanket bond may also be terminated with the consent of the supervisor.

SEC. 6. Section 3208 of the Public Resources Code is amended to read:

3208. For the purposes of Section 3207, a well is properly abandoned when it has been shown to the satisfaction of the supervisor that all proper steps have been taken to shut off and exclude all water from oil-bearing or gas-bearing strata encountered in the well, and to protect underground or surface water suitable for irrigation or farm or domestic purposes from the infiltration or addition of any detrimental substance and to prevent subsequent damage to life, health, property, and other resources.

SEC. 7. Section 3209 of the Public Resources Code is amended to read:

3209. The provisions of Section 3207 as to termination and cancellation shall also apply to all bonds which have been heretofore filed with the supervisor as then provided by law.

SEC. 8. Section 3723.5 of the Public Resources Code is amended to read:

3723.5. Any person who acquires the ownership or operation of any well or wells, whether by purchase, transfer, assignment, conveyance, exchange, or otherwise, shall, within 30 days after

acquiring the well or wells, file with the supervisor an individual indemnity bond in the sum of twenty-five thousand dollars ($25,000) for each well acquired, or a blanket indemnity bond in the sum of two hundred fifty thousand dollars ($250,000) for any number of wells acquired. The bond shall be stated in substantially the language set forth in Section 3725.

SEC. 9. Section 3725 of the Public Resources Code is amended to read:

3725. Every person who engages in the drilling, redrilling, deepening, maintaining, or abandoning of any well shall file with the supervisor an individual indemnity bond in the sum of twenty-five thousand dollars ($25,000) for each well drilled, redrilled, deepened, maintained, or abandoned. The bond shall be filed with the supervisor at the time of the filing of the notice of intention to drill, redrill, deepen, maintain, or abandon, as provided in Section 3724 or 3724.1. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, conditioned that the principal named in the bond shall faithfully comply with all the provisions of this chapter, in drilling, redrilling, deepening, maintaining, or abandoning any well or wells covered by the bond, and shall secure the state against all losses, charges, and expenses incurred by it to obtain such compliance by the principal named in the bond.

The conditions of the bond shall be stated in substantially the following language:

"If said _____, the above bounden principal, shall well and truly comply with all the provisions of Chapter 4 (commencing with Section 3700) of Division 3 of the Public Resources Code and shall obey all lawful orders of the State Oil and Gas Supervisor, or his district deputy or deputies, if not appealed as provided in that chapter, or upon affirmance thereof by the Geothermal Resources Board, if appealed thereto, and shall pay all charges, costs, and expenses incurred by the supervisor or his district deputy or deputies in respect of such well or wells or the property or properties of said principal, or assessed against such well or wells or the property or properties of such principal, in pursuance of the provisions of said chapter, then this obligation shall be void; otherwise, it shall remain in full force and effect."

SEC. 10. Section 3726 of the Public Resources Code is amended to read:

3726. Any person who engages in the drilling, redrilling, deepening, maintaining, or abandoning of one or more wells at any time, may file with the supervisor one bond for two hundred fifty thousand dollars ($250,000) to cover all his operations in drilling, redrilling, deepening, maintaining, or abandoning of any of his wells in this state in lieu of an individual indemnity bond for each well being drilled, redrilled, deepened, maintained, or abandoned by him. The bond shall be executed by such person, as principal, and by an authorized surety company, as surety, and shall be in substantially

the same language and upon the same conditions as provided in Section 3725, except as to the difference in the amount.

SEC. 11. Section 3727 of the Public Resources Code is repealed.

SEC. 12. Section 3728 of the Public Resources Code is amended to read:

3728. Any individual or blanket indemnity bond issued in compliance with this chapter may, with the consent of the supervisor, be terminated and canceled and the surety be relieved of all obligations thereunder when the well or wells covered by such bond have been properly abandoned or another valid bond has been substituted therefor. Should the person who has filed a blanket bond properly abandon a portion of his wells covered by the bond, the bond may, with the consent of the supervisor, be terminated and canceled and the surety be relieved of all obligations thereunder upon the filing by such person of an individual bond for each well which he is still engaged in drilling, redrilling, deepening, maintaining, or abandoning. Liability as to individual wells that have been drilled and abandoned under a blanket bond may also be terminated with the consent of the supervisor.

SEC. 13. Section 3728.5 of the Public Resources Code is amended to read:

3728.5. In lieu of the bond required by Sections 3723.5, 3725, and 3726, a person may, with the written approval of the supervisor, file a cash bond in the applicable amount, together with evidence of the deposit of such amount in banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, or investment certificates or share accounts in the applicable amount issued by a savings and loan association doing business in this state and insured by the Federal Savings and Loan Insurance Corporation, or bonds issued by the United States or the State of California in the principal amounts of thirty thousand dollars ($30,000) or three hundred thousand dollars ($300,000), whichever is applicable, with the State Treasurer. Such bond, or security filed in lieu thereof, shall be subject to all conditions set forth in Sections 3723.5, 3725, and 3726.

SEC. 14. Section 3729 of the Public Resources Code is amended to read:

3729. For the purposes of Section 3728, a well is properly abandoned when it has been shown to the satisfaction of the supervisor that all proper steps have been taken to protect underground or surface water suitable for irrigation or farm or domestic purposes from the infiltration or addition of any detrimental substance, and to prevent the escape of all fluids to the surface.

CHAPTER 795

An act to amend Sections 3220, 3222, and 3223 of, and to repeal Section 3221 of, the Public Resources Code, relating to oil and gas well testing.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3220 of the Public Resources Code is amended to read:

3220. The owner or operator of any well on lands producing or reasonably presumed to contain oil or gas shall properly case it with water-tight and adequate casing, in accordance with methods approved by the supervisor or the district deputy, and shall, under his direction, shut off all water overlying and underlying oil-bearing or gas-bearing strata and prevent any water from penetrating such strata. The owner or operator shall also use every effort and endeavor to prevent damage to life, health, property, and natural resources; to shut out detrimental substances from strata containing water suitable for irrigation or domestic purposes and from surface water suitable for such purposes; and to prevent the infiltration of detrimental substances into such strata and into such surface water.

SEC. 2. Section 3221 of the Public Resources Code is repealed.

SEC. 3. Section 3222 of the Public Resources Code is amended to read:

3222. The owner or operator of any well shall, at the request of the supervisor, demonstrate that water from any well is not penetrating oil-bearing or gas-bearing strata or that detrimental substances are not infiltrating into underground or surface water suitable for irrigation or domestic purposes. The owner or operator shall give the district deputy adequate notice of the time at which he will demonstrate the test for shutoff in the well.

SEC. 4. Section 3223 of the Public Resources Code is amended to read:

3223. The district deputy or an inspector designated by the supervisor may be present at the test for shutoff. If the test is personally witnessed by the district deputy or an inspector at the site of the well, such district deputy or inspector shall make a report in writing of the result to the supervisor. A duplicate of the report shall be delivered to the owner.

If any test is unsatisfactory to the supervisor, he shall so notify the owner or operator and shall within five days after the completion of the test, order any additional work and tests necessary to properly shut off the well. In the order the supervisor shall designate a day upon which the owner or operator shall again test for shutoff, which day may, upon the application of the owner or operator, be changed

from time to time at the discretion of the district deputy.

CHAPTER 793

An act to amend Section 2150 of the Fish and Game Code, relating to wild animals.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2150 of the Fish and Game Code is amended to read:

2150. (a) The department in cooperation with the State Department of Food and Agriculture may, upon application, issue a written permit to import into, possess, or transport within this state any wild animal enumerated in or designated pursuant to Section 2118, upon determination that the animal is not detrimental or that no damage or detriment can be caused to agriculture, to native wildlife, to the public health or safety, or to the welfare of the animal, as a result of such importation, transportation, or possession.

A permit shall be issued only upon application and payment of a nonrefundable application fee in such amount as is determined by the commission to be sufficient to carry out the provisions of this chapter. Fees generated by the applications shall be expended exclusively for the administration and enforcement of this chapter. Application forms shall be provided by the department and shall be designed to ascertain the applicant's ability to properly care for the wild animal or animals he seeks to import, transport, or possess. Such proper care shall include providing adequate food, shelter, and veterinary care, and such other requirements as the commission may designate.

(b) The commission shall revoke or deny a permit if it finds that a permittee or applicant has failed to meet or is unable to meet the requirements for importing, transporting, possessing, or confining any wild animal as established pursuant to Section 2120.

(c) A zoo which maintains its mammals at the minimum welfare standards presently set forth in the provisions of Chapter 1 of Volume 9 of the Code of Federal Regulations, entitled "Animals and Animal Products," shall be exempt from any requirement for the payment of an application fee for a permit issued pursuant to this chapter, and shall be exempt from any permit requirement pursuant to this chapter except for animals whose importation, transportation, or possession is determined by the department, in cooperation with the Department of Food and Agriculture, to be detrimental or cause damage to agriculture, to native wildlife, or to the public health or safety. For the purposes of this section, a zoo shall be considered any

organization which exhibits animals to the general public at regular specified hours, equaling at least 30 hours a week for 36 weeks a year, and whose animals, whether maintained for exhibit purposes or not, are not for sale to private individuals, except that any animal which a zoo may possess without a permit may be sold to an exhibitor licensed by the United States Department of Agriculture or a dealer who is so licensed. The determination of whether a zoo maintains its mammals at such minimum welfare standards shall be by information obtained from federal inspectors that the specific zoo meets such standards, or if such information is not available, concerning a particular zoo, by periodic inspections by wardens of the department. An aquarium which otherwise meets the standards required by this section shall be considered a zoo. A zoo which does not maintain its mammals at such minimum welfare standards shall be deemed deficient in providing for the welfare of the animal and shall be required to meet all the requirements for the issuance of a permit pursuant to this chapter.

(d) An exhibitor licensed by the United States Department of Agriculture or a dealer who is so licensed who buys any animal specified in subdivision (c) from a zoo within the state, may sell or transfer it only to a private individual who has a permit issued pursuant to this section prior to the receipt of the animal or to a public or private organization which has a permit issued pursuant to this section prior to the receipt of the animal.

(e) Any university, college, governmental research agency or other bona fide scientific institution, as determined by the department, engaging in scientific or public health research shall be exempt from any requirement for the payment of an application fee for a permit issued pursuant to this chapter, and shall be exempt from any permit requirement pursuant to this chapter except for animals whose importation, transportation, or possession is determined by the department, in cooperation with the Department of Food and Agriculture, to be detrimental or cause damage to agriculture, to native wildlife, or to the public health or safety.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

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CHAPTER 797

An act to add Section 9002.1 to the Fish and Game Code, relating to lobsters.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 9002.1 is added to the Fish and Game Code, to read:

9002.1. Notwithstanding Sections 8660 and 8665, lobster traps may be used to within 75 feet of any privately owned pier, wharf, jetty, or breakwater in areas of the state not otherwise closed to the taking of lobsters.

This section shall become operative on September 1, 1977.

CHAPTER 798

An act to amend Section 21702.2 of, and to add Section 19601.5 to, the Education Code, relating to school district bonds.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 19601.5 is added to the Education Code, to read:

19601.5. The amounts raised and to be raised by the district during the current fiscal year for repayment of principal and interest for any bonds, issued and sold by an applicant district, which are in excess of the "basic bond requirement", as defined in Section 19589.1, shall not be considered as "eligible bonded debt service" for purposes of computing repayments or deferments pursuant to Sections 19601, 19602, 19602.1, 19615 and 19615.5.

SEC. 2. Section 21702.2 of the Education Code is amended to read:

21702.2. The bond issuance limitation in Section 21702 may, upon a favorable vote of two-thirds of the votes cast thereon in the district, be increased to not to exceed 7 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located, and as modified pursuant to Section 17262.

All statutory references to the limitation in Section 21702 shall be deemed to refer to the limitations in Sections 21702 and 21702.2, whichever may be applicable.

This section shall remain in effect until July 1, 1978, and shall

thereafter be of no force or effect, provided that the termination of the effective period of this section shall in no way be construed as affecting the validity of bonds authorized pursuant to authority afforded thereunder prior to July 1, 1978.

CHAPTER 799

An act to amend Section 1456 of the Health and Safety Code, relating to county hospital and safety commissions.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1456 of the Health and Safety Code is amended to read:

1456. (a) In the interest of public health and safety the board of supervisors of any county which maintains a county hospital may by ordinance establish a hospital and safety commission. The commission shall be advisory to the board of supervisors.

(b) The commission shall exercise such powers and perform such duties relating to the administration of the county hospital as shall be prescribed by the ordinance. The commission shall further exercise such powers and perform such duties as shall be prescribed by the ordinance and which may include the following:

1. To promote safety among all county officers and employees and to develop a program of accident prevention.

2. To investigate all industrial, vehicular and all other accidents to county personnel and county equipment, including privately owned equipment operated by county personnel under contract with the county.

3. To hold hearings in the course of such investigation and to report to the board of supervisors upon all accidents reported to and investigated by the commission.

4. To recommend to the board of supervisors safety rules and regulations promoting the health and safety of all county officers and employees and agents in the prosecution of their office or employment and their use of all equipment in the course of their duties as such officers, employees, and agents.

(c) The commission shall be appointed by the board of supervisors. No person holding any elective office shall be appointed to the commission. Members of the commission shall be residents of the county. Members shall be appointed in the manner prescribed by the ordinance and shall serve for such term as is prescribed therein; subject, however, to the power of the board of supervisors to remove any member of the commission at any time by three-fifths vote of the board.

(d) The members of the commission shall serve with or without compensation as prescribed by the ordinance.

(e) Members of the commission may, when and if so provided in the ordinance, receive actual and necessary expenses in traveling from their place of residence to the place of meeting of the commission, and return, and such expenses shall be a proper charge upon the county; provided, however, that in no event shall any charge be made upon the county for any expense incurred by any member for any meal eaten at any meeting of the commission.

(f) Meetings of the commission shall be held in accord with the provisions of Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

(g) The provisions of Section 54954 of the Government Code notwithstanding, any meeting of the commission shall be held only in a public building of the county and within the county in which such commission is established.

(h) The ordinance establishing the commission shall specifically prescribe the following:

(1) The name of the commission;

(2) The functions and duties thereof;

(3) Number of members, method of appointment and term of members;

(4) A statement of whether or not payment of compensation to members of the commission is authorized and, if authorized, a statement of the amount of such compensation and the maximum number of meetings of the commission in any one calendar month for which such compensation may be paid;

(5) A statement of whether or not traveling expenses are authorized and, if authorized, a statement of the rate which will be allowed for mileage.

(6) Subject to the limitations prescribed by this section, such ordinance may contain such additional provisions as the board of supervisors may deem expedient for the proper administration of the affairs of the commission.

(i) Any ordinance of any county establishing a hospital or a safety commission enacted prior to the effective date of this section is hereby validated, provided that the provisions of the ordinance substantially comply with the limitations and authorizations set forth in this section; provided expressly, however, that any such hospital or safety commission created by ordinance enacted prior to the effective date of this section shall cease to exist at the close of the 60th day following the effective date of this section, and no hospital or safety commission established by any such ordinance, or established in any other manner whatever, shall continue to exist or function thereafter in any county unless and until such hospital or safety commission is established by ordinance under the provisions of this section.

CHAPTER 800

An act to amend Sections 26520 and 27645 of, and to add Section 26520.5 to, the Government Code, relating to district attorneys and county counsels.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 26520 of the Government Code is amended to read:

26520. The district attorney shall render legal services to the county without fee, shall render legal opinions to school districts on matters as required by law, and may render legal services to local public entities as requested. Unless required by law to provide legal services to local public entities without fee, the district attorney may charge a local public entity a fee, not to exceed the total cost to the county, for such legal services.

SEC. 2. Section 26520.5 is added to the Government Code, to read:

26520.5. The district attorney or county counsel may, with the approval of the county board of supervisors, provide legal services to an association or nonprofit corporation which contracts with a county for the operation of a county fair pursuant to the provisions of Sections 25905 and 25906. Such association or nonprofit corporation shall compensate the county for the services at a rate which is mutually agreeable to both parties.

SEC. 3. Section 27645 of the Government Code is amended to read:

27645. Subject to Section 26520, the county counsel shall represent and advise the officers and employees of special districts organized within the county and shall have exclusive charge and control of all civil actions and proceedings in which special districts, their officers or employees are concerned or are parties when:

(a) The governing board of the special district requests the county counsel to so act;

(b) The governing board of the special district is composed in whole or in part of persons who are also members of the county board of supervisors; and

(c) No specific provision is made in the law under which the special district is organized for the district to obtain legal services.

SEC. 4. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no duties, obligations, or responsibilities imposed on local government by this act.

CHAPTER 801

An act to amend Section 6702 of the Financial Code, relating to savings and loan associations.

[Approved by Governor September 6, 1976. Filed with Secretary of State September 7, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6702 of the Financial Code is amended to read:

6702. An association may invest in, hold, buy, and sell the following:

(a) Real property used or to be used primarily as the principal office or branch of the association, and real property used or to be used primarily as a service office or office of the service corporation of the association or an undivided interest in real property used or to be used primarily as a service office or office of the association or its service corporation and of other associations owning the other undivided interests in such real property. As used in this subdivision the term real property includes (1) real property in reasonably close proximity to a principal, branch, or service office used or to be used primarily as a parking lot in connection with the operations of such office and (2) structures or buildings located on land owned in fee or held under a lease or sublease by the association with an unexpired term of 25 years at the date of execution by the association of such lease or sublease. Except as provided in Section 6703 no association shall invest in such real property or in such structures or buildings more than one-half of the sum of its statutory net worth.

(b) Furniture, fixtures, furnishings, equipment and leasehold improvements necessary or proper for the business of the association, or for use in connection with properties owned by or securing loans of the association. Leasehold improvements as used herein shall not include structures or buildings referred to in subdivision (a) of this section. Except as provided in Section 6703 no association shall invest in furniture, fixtures, furnishings, equipment, and leasehold improvements as defined herein for its offices more than 30 percent of the sum of its statutory net worth.

(c) United States government bonds and treasury certificates, or any bonds, debentures, notes, or other obligations guaranteed by the United States of America, and obligations issued or guaranteed by the Government National Mortgage Association.

(d) Bonds, debentures, notes, and other securities issued or guaranteed in whole or in part by any federal home loan bank, or the Federal Savings and Loan Insurance Corporation, or other similar federal agency.

(e) Consolidated federal home loan bank bonds, debentures, or notes.

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(f) Bonds of this state or of any flood control and water conservation districts or any zone thereof having an assessed valuation on taxable real property of not less than one million dollars ($1,000,000), county, city and county, city, metropolitan water district, municipal utility district, any special district established by and within any municipal utility district, transit district, rapid transit district, metropolitan transit authority, flood control district, or school district of the State of California.

(g) Bonds and other securities which are expressly authorized as legal investments for or purchase by savings banks in this state, bankers' acceptances of the kind, character, and maturity eligible for rediscount with a Federal Reserve bank, and such other securities as the commissioner may authorize by rules and regulations.

(h) Bonds issued by any railroad corporation or any public utility corporation substantially all of the properties of which are located in the United States of America. Railway corporations and public utility corporations, as used in this subdivision, do not include street railway corporations.

(i) Stock, shares, debentures and bonds of any international home loan bank which may hereafter be incorporated by authority of an act of Congress.

(j) California street improvement bonds. No association at any one time shall have invested pursuant to the sole authority of this subdivision an aggregate amount in excess of 2 percent of the then total assets of the association.

(k) Stock issued by any federal home loan bank or other similar federal agency of which the association is eligible to be a member.

(*l*) Bonds and other securities as provided in Division 11 of this code.

(m) Stocks, bonds, debentures, participations, and other obligations of or issued by the Federal National Mortgage Association and the Small Business Administration. No association at any one time shall have invested pursuant to the sole authority of this subdivision an aggregate amount in excess of 5 percent of the then total assets of the association.

(n) Loans and interests in loans on the security of real property located in foreign countries guaranteed by an agency of the federal or state government; and capital stock, obligations, notes, and other securities of any thrift institution organized under the laws of a foreign country and engaged in the business of making loans on the security of real estate in such country subject to regulations of the commissioner. No association shall make any investment pursuant to this subdivision if its aggregate outstanding investment under this subdivision would thereupon exceed 1 percent of the then total assets of the association.

(o) Subject to the rules and regulations of the commissioner, stock issued by a corporation authorized to be created pursuant to Title IX of the Housing and Urban Development Act of 1968, and may make investments in a partnership, limited partnership, or joint venture

formed pursuant to Section 907(a) or 907(c) of such act.

(p) Any obligations or other instruments or securities of the Student Loan Marketing Association.

(q) Shares and investment certificates issued by any domestic savings and loan association which is an "insured institution" as defined in Title IV of the National Housing Act.

CHAPTER 802

An act to repeal Section 22950 of, and to add Section 22950 to, the Vehicle Code, relating to parking.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 22950 of the Vehicle Code is repealed.

SEC. 2. Section 22950 is added to the Vehicle Code, to read:

22950. Any city having a population of over 2,000,000 inhabitants shall regulate offstreet parking facilities within its jurisdiction in a manner not inconsistent with any provisions of this chapter.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 803

An act to amend Sections 1684, 1690, and 1697 of, and to add Section 1695.6 to, the Labor Code, relating to farm labor contractors.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1684 of the Labor Code is amended to read:

1684. The Labor Commissioner shall not issue to any person a license to act as a farm labor contractor, nor shall he renew such license, until:

(a) Such person has executed a written application therefor in a form prescribed by the Labor Commissioner, subscribed and sworn

to by such person, and containing (1) a statement by such person of all facts required by the Labor Commissioner concerning the applicant's character, competency, responsibility, and the manner and method by which he proposes to conduct his operations as a farm labor contractor if such license is issued, and (2) the names and addresses of all persons except bona fide employees on stated salaries, financially interested, either as partners, associates or profit sharers, in the proposed operation as a farm labor contractor, together with the amount of their respective interests;

(b) The Labor Commissioner, after investigation, is satisfied as to the character, competency, and responsibility of such person;

(c) Such person has deposited with the Labor Commissioner a surety bond or time certificate in the sum of five thousand dollars ($5,000). Such bond or time certificate shall be payable to the people of the State of California and shall be conditioned that said farm labor contractor will comply with all the terms and provisions of this chapter and will pay all damages occasioned to any person by failure so to do, or by any violation of the provisions of this chapter, or false statements or misrepresentations made in the procurement of his license; and

(d) Such person has paid to the Labor Commissioner a license fee of one hundred dollars ($100) plus a filing fee of ten dollars ($10). However, where a timely application for renewal is filed, the ten-dollar ($10) filing fee is not required. The Labor Commissioner shall deposit twenty-five dollars ($25) of each licensee's annual license fee into a separate account. Funds from this account shall be disbursed by the Labor Commissioner only to persons determined by the Labor Commissioner to have been damaged by any licensee when such damage exceeds the limits of the licensee's bond or time certificate. Any disbursed funds subsequently recovered by the Labor Commissioner pursuant to Section 1693, or otherwise, shall be returned to the separate account.

(e) Such person in an oral or written examination, or both, demonstrates a degree of knowledge of the laws and administrative regulations concerning farm labor contractors as the Labor Commissioner deems necessary for the safety and protection of farmers, farmworkers and the public. The Labor Commissioner may charge a fee of not more than thirty-five dollars ($35) to cover the cost of administration of the examination. The Labor Commissioner may also renew a license without requiring the applicant for such renewal to take an oral or written examination if he finds that the applicant has complied with the requirements of this chapter.

(f) The Labor Commissioner may charge reasonable legal fees against a time certificate for handling claims, other than wage claims, filed against a time certificate deposited pursuant to subdivision (c).

(g) Such person has registered as a farm labor contractor pursuant to the Federal Farm Labor Contractor Registration Act (Chapter 52 (commencing with Section 2041), Title 7, United States Code), when such registration is required pursuant to federal law.

SEC. 2. Section 1690 of the Labor Code is amended to read:

1690. The Labor Commissioner may revoke, suspend or refuse to renew any license when it is shown that:

(1) The licensee or any agent of the licensee has violated or failed to comply with any of the provisions of this chapter;

(2) The licensee has made any misrepresentations or false statements in his application for a license;

(3) The conditions under which the license was issued have changed or no longer exist;

(4) The licensee, or any agent of the licensee, has violated or has willfully aided or abetted any person in the violation of, or failed to comply with, any law of the State of California regulating the employment of employees in agriculture, the payment of wages to farm employees, or the conditions, terms, or places of employment affecting the health and safety of farm employees, which is applicable to the business, activities, or operations of the licensee in his capacity as a farm labor contractor;

(5) The licensee, or any agent of the licensee, has failed to comply with any provisions of the Vehicle Code pertaining to a farm labor vehicle, as described in Sections 322 and 323 of the Vehicle Code, under the licensee's control, or has allowed a farm labor vehicle under his control to be operated by a driver without a valid driver's license and certificate required pursuant to Section 12519 of the Vehicle Code; or

(6) The licensee has been found, by a court or the Secretary of Labor, to have violated any provision of the Federal Farm Labor Contractor Registration Act (Chapter 52 (commencing with Section 2041), Title 7, United States Code), provided that the licensee is required to register as a farm labor contractor pursuant to federal law.

SEC. 3. Section 1695.6 is added to the Labor Code, to read:

1695.6. No person shall knowingly enter into an agreement for the services of a farm labor contractor who is not licensed under this chapter.

SEC. 4. Section 1697 of the Labor Code is amended to read:

1697. (a) Any person who violates any provisions of this chapter, or who causes or induces another to violate any provisions of this chapter, shall be guilty of a misdemeanor punishable by a fine of not more than five hundred dollars ($500), or imprisonment in the county jail for not more than six months, or both.

(b) Any employee aggrieved by any violation of this chapter, other than acts and conduct also proscribed by Sections 1153, 1154, and 1155, may bring a civil action for injunctive relief or damages, or both, against the farm labor contractor and, upon prevailing, shall recover reasonable attorney's fees.

(c) In any action brought pursuant to subdivision (b), the employee may name the surety as a defendant and, upon prevailing, recover on the farm labor contractor's bond, or may recover against the time certificate.

SEC. 5. The increase in license fees required by this act shall not apply to any person licensed to act as a farm labor contractor on the effective date of this act until the renewal date of such license.

CHAPTER 804

An act to add and repeal Sections 14132.5 and 14132.6 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 14132.5 is added to the Welfare and Institutions Code, to read:

14132.5. In addition to the schedule of benefits available under this chapter, the department, subject to the provisions of Section 14132.6, shall furnish, as a demonstration program, in not more than three counties deemed most appropriate by the department, the following benefits:

(a) Orthomolecular medicine, when provided as part of the treatment methods of a physician; diagnostic tests deemed necessary for such treatment by the physician; and inpatient hospital care furnished in connection with such diagnostic and treatment methods; all of which shall be subject to utilization controls.

(b) Vitamins, minerals, amino acids, and glandular extracts, when prescribed in treatment of illness by a physician in the course of applying treatment methods of orthomolecular medicine, subject to utilization controls.

As used in this section, "orthomolecular medicine" means the preservation of good health, as well as the treatment of disease, by providing the optimum molecular environment in the human body by varying the concentrations in the body of vitamins, minerals, and other nutritional substances normally present in the body and required for health. "Orthomolecular medicine" also includes human ecology medicine, which means the removal, discharge or avoidance of substances that are toxic or allergy inducing to some patients.

The limitations on extent of coverage under subdivision (a) of Section 14132 shall apply to this section.

Nothing contained in this section shall preclude the practice of chiropractic as authorized by the Chiropractic Initiative Act or to limit coverage of chiropractic services otherwise authorized under Section 14132.

Nothing contained in this section shall authorize payment for any treatment which includes a substance prohibited to be prescribed or dispensed under state or federal law.

The program authorized by this section shall commence on July 1, 1977, and shall terminate on June 30, 1979.

This section shall remain in effect only until July 1, 1979, and as of such date is repealed.

SEC. 2. Section 14132.6 is added to the Welfare and Institutions Code, to read:

14132.6. The director shall select persons to constitute an evaluation committee for the purposes of the demonstration program referred to in Section 14132.5. The committee shall consist of one or more physicians who practice orthomolecular medicine, as defined by Section 14132.5, one or more physicians nominated by the California Medical Association, and one or more employees of the department.

The committee shall prepare a plan for evaluating the program. The plan shall include the reporting procedures to be utilized by the participating providers in the demonstration program. The committee shall submit the plan to the director by April 1, 1977. The director shall approve, disapprove, or modify the plan.

The department shall provide staff for the evaluation committee.

The department shall adopt regulations to implement this section and Section 14132.5. Such regulations shall become effective on June 1, 1977.

Any provider in the designated three counties may participate in this program with patients desiring such treatment, so long as the provider adheres to the evaluation committee's plan.

No patient shall participate in the program unless, prior to such participation, the patient or the patient's legal guardian gives written informed consent to such participation and to the disclosure of the patient's medical records to members of the evaluation committee and the staff of such committee.

The director may prohibit the use of any substance or procedure in connection with the program.

If any provision of this section or of Section 14132.5, or any provision of any regulation adopted by the department pursuant to such sections, is not in conformity with federal laws and regulations, such provision shall have no force or effect.

The department shall require each physician provider participating in the demonstration program to make periodic reports in accordance with the evaluation plan provided for in this section.

The evaluation committee shall prepare and submit to the director, by December 30, 1979, a report evaluating the demonstration program, including its conclusions on the efficacy of the program, and a cost comparison of the cost of treating patients in the orthomolecular medicine demonstration program with the cost of treating patients who are not in the program. The director shall transmit such report, together with any comments or recommendation he may make, to the Governor and to the Legislature by January 30, 1980.

No member of the evaluation committee, or its staff, and no officer

or employee of the department shall disclose the name of a patient or information which would identify a patient in the program to any persons not authorized by written consent of the patient to have such information.

This section shall remain in effect only until February 1, 1980, and as of such date is repealed.

CHAPTER 805

An act to add and repeal Section 2137.3 of the Business and Professions Code, to add and repeal Section 1374.5 of Article 5 (commencing with Section 1367) of Chapter 2.2 of Division 2 of the Health and Safety Code, to add and repeal Section 10127.5 of Article 1 (commencing with Section 10110) of Chapter 1 of Part 2 of Division 2 to, and to add and repeal Section 11512.55 to, the Insurance Code, relating to orthomolecular medicine.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2137.3 is added to the Business and Professions Code, to read:

2137.3. "Orthomolecular medicine" means the preservation of good health as well as the treatment of disease by providing the optimum molecular environment in the human body by varying the concentrations in the body of vitamins, minerals, and other nutritional substances normally present in the body and required for health. Orthomolecular medicine also includes human ecology medicine, which means the discharge or avoidance of substances that are toxic or allergy inducing to some patients.

This section shall remain in effect only until July 1, 1979, and as of such date is repealed.

SEC. 2. Section 1374.5 is added to Article 5 (commencing with Section 1367) of Chapter 2.2 of Division 2 of the Health and Safety Code, to read:

1374.5. On and after the effective date of this section, every health care service plan that covers hospital, medical, or surgical expenses on a group basis, and which does not provide or arrange direct health care services for its members, shall offer coverage for expenses incurred as a result of treatment by holders of physician's and surgeon's certificates pursuant to the technique of orthomolecular medicine, as defined in Section 2137.3 of the Business and Professions Code, under such terms and conditions as may be agreed upon between the health care service plan and the subscriber group, subject to utilization controls. Every health care service plan shall communicate the availability of such coverage to all subscriber

groups and to all prospective subscriber groups with whom they are negotiating.

Nothing in this section shall authorize payment for any treatment which includes a substance prohibited to be prescribed or dispensed under federal or state law.

This section shall remain in effect only until July 1, 1979, and as of such date is repealed.

SEC. 3. Section 10127.5 is added to Article 1 (commencing with Section 10110) of Chapter 1 of Part 2 of Division 2 of the Insurance Code, to read:

10127.5. (a) On and after the effective date of this section, every insurer issuing group disability insurance which covers hospital, medical, or surgical expenses shall offer coverage for expenses incurred as a result of treatment by holders of physician's or surgeon's certificates pursuant to the techniques of orthomolecular medicine, as defined in Section 2137.3 of the Business and Professions Code, under such terms and conditions as may be agreed upon between the group policyholder and the insurer, subject to utilization controls. Every insurer shall communicate the availability of such coverage to all group policyholders and to all prospective group policyholders with whom they are negotiating.

(b) On and after the effective date of this section, every self-insured employee welfare benefit plan which provides coverage for hospital, medical, or surgical expenses shall offer coverage for expenses incurred as a result of treatment by holders of physician's and surgeon's certificates pursuant to the techniques of orthomolecular medicine, as defined in Section 2137.3 of the Business and Professions Code, under such terms and conditions as may be agreed upon between the self-insured welfare benefit plan and the member, subject to utilization controls. Every self-insured welfare benefit plan shall communicate the availability of such coverage to all members and prospective members.

(c) Nothing in this section shall authorize payment for any treatment which includes a substance prohibited to be prescribed or dispensed under federal or state law.

This section shall remain in effect only until July 1, 1979, and as of such date is repealed.

SEC. 4. Section 11512.55 is added to the Insurance Code, to read:

11512.55. On and after the effective date of this section, every nonprofit hospital service plan, including those plans issuing group hospital service contracts, which does not provide or arrange direct health care services for its members, shall offer coverage for expenses incurred as a result of treatment by holders of physician's and surgeon's certificates pursuant to the techniques of orthomolecular medicine, as defined in Section 2137.3 of the Business and Professions Code, under such terms and conditions as may be agreed upon between the plan and the group contract holder, subject to utilization controls.

Every nonprofit hospital service plan, including those issuing

group hospital service contracts, shall communicate the availability of such coverage to all group contract holders and to all prospective group contract holders with whom they are negotiating.

Nothing in this section shall authorize payment for any treatment which includes a substance prohibited to be prescribed or dispensed under federal or state law.

This section shall remain in effect only until July 1, 1979, and as of such date is repealed.

CHAPTER 806

An act to amend Sections 19578, 19594, and 19700.78 of the Education Code, relating to state school building aid.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. 19578 of the Education Code is amended to read:

19578. In any month in which the priority point procedures prescribed by Section 19556 are utilized, the board may apportion to school districts, under Section 19577, not more than the sum of four hundred thousand dollars ($400,000); provided that any amount apportioned or made final pursuant to subdivision (c) of Section 19590 shall not be subject to such limitation.

SEC. 2. Section 19594 of the Education Code is amended to read:

19594. Whenever a conditional apportionment has, prior to January 1, 1977, been made to an applicant school district pursuant to this chapter and thereafter the county superintendent of schools of the county having jurisdiction over such district has certified to the board and the State Controller that at an election called, held and conducted in the district for that purpose, two-thirds of the qualified electors of the district voting thereat authorized the governing board of the applicant school district to accept, expend and repay an apportionment under the provisions of this chapter, and whenever thereafter said county superintendent of schools has certified to the board and the State Controller that the amount of bonds, if any, required by the board, as a condition to the apportionment becoming final, have been issued and sold and the proceeds thereof made available for the purposes of the application and the board has certified to the State Controller that the apportionment to the applicant school district has become final, such final apportionment is hereby confirmed, ratified, and validated, and any expenditure of money from the State School Building Aid Fund according to the terms of such final apportionment is hereby confirmed, ratified, and validated.

Notwithstanding any provision to the contrary, no funds

authorized by any bond act for the purpose of this chapter shall be made available for expenditure without specific authority of the board or its delegated representative.

SEC. 3. Section 19700.78 of the Education Code is amended to read:

19700.78. Whenever a conditional apportionment has, prior to January 1, 1977, been made to an applicant school district pursuant to this chapter and thereafter the county superintendent of schools of the county having jurisdiction over such district has certified to the board and the State Controller that at an election called, held and conducted in the district for that purpose, the qualified electors of the district voting thereat authorized the governing board of the applicant school district, by the same majority vote required at a district bond election, to accept, expend and repay an apportionment under the provisions of this chapter, and whenever thereafter said county superintendent of schools has certified to the board and the State Controller that the required contribution of the district has been placed on deposit in the state school building fund of the district and the board has certified to the State Controller that the apportionment to the applicant school district has become final, such final apportionment is hereby confirmed, ratified, and validated, and any expenditure of money from the State School Building Aid Fund or the School Building Safety Fund according to the terms of such final apportionment is hereby confirmed, ratified, and validated.

Notwithstanding any provision to the contrary, no funds authorized by any bond act for the purpose of this chapter shall be made available for expenditure without specific authority of the board or its delegated representative.

CHAPTER 807

An act to add Section 17990 to the Health and Safety Code, relating to abatement.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 17990 is added to the Health and Safety Code, to read:

17990. The time to file a written pleading in response to a summons in an action brought pursuant to this article is 10 days.

CHAPTER 808

An act to amend Section 1269b of the Penal Code, relating to bail.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1269b of the Penal Code is amended to read:

1269b. The officer in charge of a jail wherein an arrested person is held in custody, an officer of a sheriff's department or police department of a city who is in charge of a jail or employed at a fixed police or sheriff's facility and is acting under an agreement with the agency which keeps the jail wherein an arrested person is held in custody, an employee of a sheriff's department or police department of a city who is assigned by such department to collect bail, the clerk of the justice or municipal court of the judicial custody, the clerk of the justice or municipal court of the judicial district in which the offense was alleged to have been committed, and the clerk of the superior court in which the case against the defendant is pending shall have authority to approve and accept bail in such amount as fixed by the warrant of arrest or schedule of bail or order admitting to bail in cash or surety bond executed by a certified, admitted surety insurer as provided in the Insurance Code, to issue and sign an order for the release of the arrested person, and to set a time and place for the appearance of the arrested person before the appropriate court and give notice thereof, as follows:

(a) For appearance before the court of an arrested person who has been arrested for having committed a felony, misdemeanor or infraction and is being held in custody prior to the filing of a formal complaint, indictment or information, and for appearance before the court of a defendant charged with a felony, misdemeanor, or infraction by a formal complaint, indictment or information filed in the court. If a defendant has appeared before a judge of the court on the charge contained in the complaint, indictment, or information the bail shall be in the amount fixed by such judge at the time of such appearance; if no such appearance has been made the bail shall be in the amount fixed in the warrant of arrest or, if no warrant of arrest has been issued, the amount of bail shall be pursuant to a schedule of bail in such case previously fixed and approved as provided in subdivision (b).

(b) It is the duty of the superior, municipal and justice court judges in each county to prepare and adopt, by a majority vote, at a meeting called by the presiding judge of the superior court of the county, a uniform countywide schedule of bail for all bailable felony offenses. It is the duty of the municipal and justice court judges in each county to prepare and adopt, by a majority vote, at a meeting

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called by the presiding judge of the municipal court at each county seat, a uniform, countywide schedule of bail for all misdemeanor and infraction offenses. Each schedule shall contain a list of such offenses and the amounts of bail applicable thereto as the judges determine to be appropriate. If the schedules do not list all offenses specifically, they shall contain a general clause for designated amounts of bail as the judges of the county determined to be appropriate for all such offenses not specifically listed in the schedules. The schedules of bail may be revised from time to time by the judges of the county, and one or more meetings of judges for this purpose may be called by the presiding judges of the superior and municipal courts located at each county seat. A copy of the bail schedules shall be sent to the officer in charge of the county jail and to the officer in charge of each city jail within the county and to each superior, municipal and justice court judge and commissioner.

(c) Upon posting such bail the defendant or arrested person shall be discharged from custody as to the offense on which the bail is posted.

All money and surety bonds so deposited with such officer shall be transmitted immediately to the judge or clerk of the court by which the order was made or warrant issued or bail schedule fixed. If, in the case of felonies, an indictment is filed, such judge or clerk of the court shall transmit all such money and surety bonds to the county clerk.

(d) If a defendant or arrested person so released fails to appear at the time and in the court so ordered upon his release from custody, the provisions of Sections 1305 and 1306 shall apply.

(e) For the appearance before the proper court of a person who has been arrested for an offense on a warrant issued in a county of this state other than the county where such person is held in custody.

CHAPTER 809

An act to amend Section 11487 of, and to add Sections 20212 and 20213 to, the Education Code, relating to community colleges, and making an appropriation therefor.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11487 of the Education Code is amended to read:

11487. The attendance of a community college student shall be recorded and reported separately if both that portion of the district of which he is a resident and that portion of the district in which he attends a community college are part of a cooperative vocational area and if the following conditions are satisfied:

(a) The community college offered vocational programs under a cooperative agreement with other community college districts within the area during the preceding fiscal year, and

(b) The student is enrolled in a cooperative vocational program in the community college which he attends which is not offered by a community college maintained by the community college district of which he is a resident, and all the community college districts which are a part of the applicable cooperative vocational area have agreed that the provisions of this section shall be applicable in that vocational area, or

(c) The student is enrolled in a vocational program in the community college which he attends, which program is offered, but is not available to him, in a community college maintained by the community college district of which he is a resident; and the district of which he is a resident and the district in which he is attending a community college have agreed that the provisions of this section shall be applicable.

SEC. 2. Section 20212 is added to the Education Code, to read:

20212. (a) A resident of territory of the Tulelake Basin Joint Unified School District portion of Modoc and Siskiyou Counties which is not included within a community college district may attend an institution in an adjoining state and receive reimbursement for costs of such education in a two-year program as provided in this section, if:

(1) The institution is a member of the state system of public or higher education under the direction of a state board.

(2) The institution is publicly supported, and is fully accredited by a recognized accrediting agency as a "two-year college."

(3) The institution is the closest institution to the residence of the student, or is the closest institution offering a specialized curriculum in which the student enrolls.

(b) The county superintendent of schools of the county in which the person resides shall determine the average cost of education if the student attended a community college in the county or, if none, the California community college nearest the residence of the student.

The average cost of education shall be determined as nearly as practicable in accordance with Section 20201.

SEC. 3. Section 20213 is added to the Education Code, to read:

20213. (a) The county superintendent of schools shall draw his order for the amount determined pursuant to Section 20212 on the county auditor in favor of the chief fiscal officer of the out-of-state institution. The county superintendent of schools shall identify each of the persons for whom such payment is made, and the payment shall be made only if it is used as part or all of the out-of-state tuition which the student is required to pay in order to attend the out-of-state institution.

(b) In no case may the amount paid to the out-of-state institution exceed the amount which the person for whom payment is made

would have been required to pay to attend the out-of-state institution as a nonresident student.

(c) The amount required to be paid in each fiscal year by either the County Superintendent of Schools of Siskiyou County or Modoc County shall be derived from a county tax levied, collected, and distributed in accordance, as nearly as practicable, with the other provisions of this article, except that the tax shall only be levied in that portion of Siskiyou or Modoc County which is not part of a community college district.

SEC. 4. The Legislature finds and declares that because of an unusual situation which exists in a sparsely populated portion of the state a general law within the meaning of Section 16 of Article IV of the California Constitution cannot be made applicable.

SEC. 5. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 810

An act to add Section 690.30 to the Code of Civil Procedure, relating to exemptions.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 690.30 is added to the Code of Civil Procedure, to read:

690.30. With respect to any deposit account maintained with a bank or any investment certificate, share account or withdrawable share maintained with a state or federally chartered savings and loan association in which payments authorized by the Social Security Administration are directly deposited by the United States government pursuant to Public Law No. 92-366 (86 Stats. 506 (1972)) and any regulations promulgated thereunder:

(a) The first five hundred dollars ($500) of such account shall not be subject to levy of attachment or execution in any manner where one depositor to the account is the designated payee of the directly deposited payments. The first seven hundred fifty dollars ($750) of such account shall not be subject to levy of attachment or execution in any manner where two or more depositors to the account are the designated payees of the directly deposited payments; provided, however, that where two or more such depositors are joint payees of directly deposited payments which represent a benefit to only one

of the depositors, the exemption shall be the first five hundred dollars ($500) of such account.

(b) Any amounts in excess of those authorized under subdivision (a) are exempt to the extent such amounts consist of payments authorized by the Social Security Administration which are directly deposited by the United States government pursuant to Public Law No. 92-366 (86 Stats. 506 (1972)) and any regulations promulgated thereunder or exempt under any other provisions of law as hereinafter provided:

(1) The financial institution shall either place the amounts in excess of those authorized by subdivision (a) in a suspense account or otherwise prohibit their withdrawal pending notification of the judicial determination of their exempt status, and advise the levying officer in writing of the nature and balance of the account of the debtor within 10 business days after the levy;

(2) No claim of exemption shall be required with respect to payments authorized by the Social Security Administration which are directly deposited by the United States government pursuant to Public Law No. 92-366 (86 Stats. 506 (1972)). If the judgment creditor delivers an affidavit or declaration alleging that the property is not exempt within the meaning of this subdivision to the levying officer within five days after the levying officer has notified the judgment creditor that all or parts of the amounts being held by the financial institution pursuant to paragraph (1) are nonexempt the procedure in Section 690.50 shall be followed. If no affidavit or declaration is timely delivered by the judgment creditor, then subdivision (d) of Section 690.50 shall apply. For purposes of subdivision (i) of Section 690.50, the judgment debtor has the burden of proving that the moneys are exempt;

(3) No finding shall be required in an exemption hearing under this section. At the conclusion of the hearing, the court shall give judgment determining whether or not the excess moneys are exempt, in whole or in part, and may give judgment determining the priority or division of payment between one or more creditors from nonexempt moneys which judgment shall be determinative as to the right of the creditor to have the moneys held by the financial institution pursuant to the writ. In the judgment, the court shall make all appropriate orders for the prompt disposition of such moneys;

(4) If the court determines that all or part of the excess is exempt, a certified copy of the judgment shall be transmitted forthwith by the clerk to the financial institution in order to permit the financial institution to transfer such moneys from the suspense account to the debtor's account or otherwise release any restrictions on its withdrawal by the debtor. The transfer or release shall be effected within three business days of the receipt of the judgment. If the court has determined that all or part of the excess is nonexempt, a certified copy of the judgment shall be transmitted forthwith by the clerk to the levying officer and the levying officer shall serve the copy of the

judgment forthwith upon the financial institution. With respect to any part of the excess which is exempt, the financial institution shall transfer such moneys from the suspense account or otherwise release any restrictions on its withdrawal by the debtor. The transfer or release shall be effected within three business days of the receipt of a certified copy of the judgment by the financial institution.

(c) For purposes of this section, "payments authorized by the Social Security Administration" means regular retirement and survivors benefits, supplemental security income benefits, coal miners health benefits, and disability insurance benefits.

CHAPTER 811

An act to amend Sections 35891 and 35893 of the Food and Agricultural Code, relating to milk.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 35891 of the Food and Agricultural Code is amended to read:

35891. Grade A raw milk is market milk which conforms to all the following minimum requirements:

(a) The health of the cows and goats shall be determined at least once in two months by an official representative of an approved milk inspection service, or a milk inspection service which is established by the director.

(b) It shall be produced on dairy farms that score not less than 85 percent on the dairy farm scorecard.

(c) It shall be cooled immediately after being drawn from the cow or goat to 50 degrees Fahrenheit or less, and so maintained until delivered to the consumer, at which time it shall contain not more than 15,000 bacteria per milliliter.

SEC. 2. Section 35893 of the Food and Agricultural Code is amended to read:

35893. Milk for grade A pasteurized milk is market milk which conforms to all the following minimum requirements:

(a) The health of the cows or goats shall be determined at least once in six months by an official representative of an approved milk inspection service, or a milk inspection service which is established by the director.

(b) The milk shall be cooled immediately after being drawn from the cow or goat to 50 degrees Fahrenheit or less and maintained in transit at not to exceed 52 degrees Fahrenheit.

(c) It shall be produced on dairy farms that score not less than 85 percent on the dairy farm scorecard which is adopted by the

director.

(d) Shall meet the standards of Section 35781 or the regulation adopted pursuant thereto.

CHAPTER 812

An act to amend Section 1681 of the Code of Civil Procedure, relating to the Reciprocal Enforcement of Support Act.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1681 of the Code of Civil Procedure is amended to read:

1681. (a) The prosecuting attorney on his own initiative shall use all means at his disposal to locate the obligor or his property, and if because of inaccuracies in the petition or otherwise the court cannot obtain jurisdiction, the prosecuting attorney shall inform the court of what he has done and request the court to continue the case pending receipt of more accurate information or an amended complaint from the initiating court.

(b) If the obligor or his property is not found in the county, and the prosecuting attorney discovers that the obligor or his property may be found in another county of this state or in another state, he shall so inform the court. Thereupon the clerk of the court shall forward the documents received from the court in the initiating state to a court in the other county or to a court in the other state or to the information agency or other proper official of the other state with a request that the documents be forwarded to the proper court. All powers and duties provided by this title apply to the recipient of the documents so forwarded. If the clerk of a court of this state forwards documents to another court, he shall forthwith notify the initiating court.

(c) If the prosecuting attorney has no information as to the location of the obligor or his property, he shall so inform the initiating court.

(d) When the obligee removes his residence from the county from which the original support order issued to a new county within the state, the obligee may initiate a support judgment enforcement action in the court of the new county of residence. The clerk of the court of the new county of residence shall request from the court where the original support order issued, and the court which originally issued the support order shall forward all documents, including a copy of the support order, necessary for the prosecution and enforcement of the support obligation to the clerk of the court in the new county of residence for the purpose of enforcing the

support obligation of the obligor. The court and prosecuting attorney of the new county of residence shall have the same powers and duties as the court and prosecuting official of the county in which the support order issued originally.

SEC. 2. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

CHAPTER 813

An act to amend Sections 3201, 3202, 3227, 3235, 3722, 3723, and 3745 of the Public Resources Code, relating to oil, gas, and geothermal wells.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3201 of the Public Resources Code is amended to read:

3201. The owner or operator of any well shall notify the supervisor or the district deputy, in writing, in such form as the supervisor or the district deputy may direct, of the sale, assignment, transfer, conveyance, or exchange by the owner or operator of such well, and the land, owned or leased, upon which the well is located, within 30 days after such sale, assignment, transfer, conveyance, or exchange. The notice shall contain the following:

(a) The name and address of the person to whom such well was sold, assigned, transferred, conveyed, or exchanged.

(b) The name and location of the well.

(c) The date of the sale, assignment, transfer, conveyance or exchange.

(d) The date when possession was relinquished by the owner or operator.

(e) A description of the land upon which the well is situated.

SEC. 2. Section 3202 of the Public Resources Code is amended to read:

3202. Every person who acquires the ownership or operation of any well, whether by purchase, transfer, assignment, conveyance, exchange, or otherwise, shall, within 30 days after acquiring the well and the land, owned or leased, upon which it is located, notify the supervisor or the district deputy, in writing, of his ownership or operation. The notice shall contain the following:

(a) The name and address of the person from whom the well was acquired.

(b) The name and location of the well.

(c) The date of acquisition.

(d) The date when possession was acquired.

(e) A description of the land upon which the well is situated.

SEC. 3. Section 3227 of the Public Resources Code is amended to read:

3227. The owner of any well producing or capable of producing oil or gas shall file with the district deputy, on or before the 30th day of each month, for the last preceding calendar month, a statement, in such form as the supervisor may designate, showing:

(a) The amount of oil and gas produced from each well during the period indicated, together with the gravity of the oil, the amount of water produced from each well, estimated in accordance with methods approved by the supervisor, and the number of days during which fluid was produced from each well.

(b) The number of wells drilling, producing, or idle, owned or operated by such person.

(c) What disposition was made of the gas produced from each well, including the names of persons, if any, to whom the gas was delivered, and such other information regarding the gas and the disposition thereof as the supervisor may require.

Upon request and satisfactory showing, a longer interval may be fixed by the supervisor for such reports in the case of any specific owner or operator.

(d) It is the duty of the supervisor to compile from such statements and to publish monthly statistics showing the amount of oil and gas produced in the state by oilfields and pools, together with the number of wells drilling, number of wells producing or idle, all separately stated as to oilfields and pools, with such other information as the supervisor deems proper.

(e) As used in this section, "pool" means an underground reservoir containing a common accumulation of crude petroleum oil or natural gas or both. Each zone of a general structure which is separated from any other zone in the structure is a separate pool.

(f) What disposition was made of the water produced from each well, including designations of injection or disposal wells and such other information regarding the water and the disposition thereof as the supervisor may require.

SEC. 4. Section 3235 of the Public Resources Code is amended to read:

3235. The supervisor may upon his own initiative or shall upon receipt of a written complaint from a person owning land or operating wells within a radius of one mile of any well or group of wells complained against make an investigation of the well or wells involved. The supervisor shall make a written report and order, stating the work required to repair the damage complained of, or stating that no work is required.

A copy of the order shall be delivered to the complainant, or if more than one, to each complainant, and, if the supervisor orders the damage repaired, a copy of the order shall be delivered to each of

the owners, operators, or agents having in charge the well or wells upon which the work is to be done.

The order shall contain a statement of the conditions sought to be remedied or repaired and a statement of the work required by the supervisor to repair the condition. Service shall be made by mailing copies to such persons at the post office address given.

SEC. 5. Section 3722 of the Public Resources Code is amended to read:

3722. The owner or operator of any well shall notify the supervisor or the district deputy, in writing, in such form as the supervisor or the district deputy may direct, of the sale, assignment, transfer, conveyance, or exchange by the owner or operator of such well, and the land, owned or leased, upon which the well is located, within 30 days after such sale assignment, transfer, conveyance, or exchange. The notice shall contain the following:

(a) The name and address of the person to whom such well was sold, assigned, transferred, conveyed, or exchanged.

(b) The name and location of the well.

(c) The date of the sale, assignment, transfer, conveyance or exchange.

(d) The date when possession was relinquished by the owner or operator.

(e) A description of the land upon which the well is situated.

SEC. 6. Section 3723 of the Public Resources Code is amended to read:

3723. Every person who acquires the ownership or operation of any well, whether by purchase, transfer, assignment, conveyance, exchange, or otherwise, shall, within 30 days after acquiring the well and the land, owned or leased, upon which it is located, notify the supervisor or the district deputy, in writing, of his ownership or operation. The notice shall contain the following:

(a) The name and address of the person from whom the well was acquired.

(b) The name and location of the well.

(c) The date of acquisition.

(d) The date when possession was acquired.

(e) A description of the land upon which the well is situated.

SEC. 7. Section 3745 of the Public Resources Code is amended to read:

3745. The owner of any well producing geothermal resources shall file with the supervisor, on or before the 30th day of each month, for the last preceding calendar month, a statement of production utilized in such form as the supervisor may designate.

CHAPTER 814

An act to amend Section 8025 of the Business and Professions Code, relating to shorthand reporters.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 8025 of the Business and Professions Code is amended to read:

8025. A certificate issued under this chapter may be suspended or revoked for one or more of the following causes:

(a) Conviction of a felony or a misdemeanor involving moral turpitude, and arising from or in connection with the practice of shorthand reporting. The record of conviction, or a certified copy thereof, shall be conclusive evidence of such conviction.

(b) Fraud or misrepresentation resorted to in obtaining a certificate hereunder.

(c) Fraud, dishonesty, corruption, willful violation of duty, gross incompetency in practice, or unprofessional conduct.

(d) Repeated unexcused failure, whether or not willful, to transcribe notes of cases pending on appeal and to file the transcripts thereof within the time required by law or to transcribe or file notes of other proceedings within the time required by law or agreed by contract.

CHAPTER 815

An act to convey in trust certain tide and submerged lands in the Straits of Carquinez, and in this connection to repeal Chapter 37 of the Statutes of 1851 and Chapter 442 of the Statutes of 1929.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares as follows:

(a) That the Martinez waterfront and adjacent marsh areas are of the utmost importance to the people of California because of the fish and wildlife which inhabit this region throughout the year.

(b) That the waters of the Straits of Carquinez and Suisun Bay are within the Pacific flyway and are of high importance to the preservation of migratory waterfowl populations.

(c) That nonmigratory waterfowl and shorebirds which inhabit the Straits of Carquinez and Suisun Bay are largely dependent on the

nearby marshlands for food and habitat.

(d) That the shallow water zones of the Martinez waterfront provide areas for shellfish culture.

(e) That the Martinez waterfront presents an opportunity for assuring balance between preservation and restoration of the coastal fish and wildlife resources and environment with nature study, appropriate recreational activities, public navigation, fishing, and selected development in accordance with the Environmental Quality Act of 1970, Division 13, (commencing with Section 21000) of the Public Resources Code.

(f) That certain lands on the Martinez waterfront, including lands referred to above, are encumbered under agreements between the City of Martinez and the State of California dated December 20, 1973, and October 27, 1964, and the lease of October 27, 1964, between the City of Martinez and the State Lands Commission, in which the city has agreed thereunder that revenues derived from the lands shall be paid to the state to meet the obligations of the agreements and lease. In addition, the development and operation of the lands for the protection thereof and for the security of sums due under the October 27, 1964, agreement are under the supervision of a committee made up of representatives from the city and the state, which is known as the "City-State Committee". In carrying out the purposes of this act, it is necessary to release the lands granted hereby to the East Bay Regional Park District from all encumbrances of the agreements and lease, while assuring that the obligations thereunder are otherwise preserved with respect to all lands granted to the city by this act and, in addition, assuring that the lands not granted to the district remain encumbered thereunder as security for the obligations.

(g) That fee title to the beds of all the waterways of the state below the ordinary high water mark (except those previously validly granted to private parties by the Spanish or Mexican governments on the date of statehood) passed from the federal government to the State of California at the time of statehood (September 9, 1850) by virtue of its sovereignty, on an equal footing with the original 13 colonies, to be held by the state in trust for the benefit of the public. Although, under a series of general statutes beginning shortly after statehood, the Legislature authorized the sale of tidelands by patent, sales of submerged lands below mean low tide were not authorized by these statutes. To the extent submerged lands were described in the state tideland patents, there was no valid conveyance; and the state remains the owner, holding title in trust for the public purposes of commerce, navigation, and fisheries and other trust purposes.

(h) That state patents of true tidelands between the mean high and low tide lines did not divest the public of its rights in the tidelands, the buyer of land under these statutes received the title to the soil, the jus privatum, subject to the public right of navigation, and in subordination to the right of the state to take possession, use, and improve them for that purpose; and, as it may deem necessary,

to pay for the taking of possession of improvements made in good faith.

(i) That, while the public tidelands trust easements are traditionally defined in terms of navigation, commerce, and fisheries, the public uses to which tidelands are subject still are sufficiently flexible to encompass changing needs. In administering the trust, the state is not burdened with an outmoded classification favoring one mode of utilization over another.

SEC. 2. (a) Therefore, based on the foregoing findings, the Legislature hereby formally exercises the public trust for the benefit of the public, for the purposes of commerce, navigation, fisheries, recreation, and for other trust purposes on, and upon a portion of lands at, the south shore of the Straits of Carquinez described as follows:

Lands of United Towing Co., a corporation, as recorded in Book 2873, page 171 and Book 2437, page 543, Official Records in the office of the Contra Costa County Recorder.

Lands of Rocco M. Costanza, et al., recorded as Parcels Nos. Two, Three and Four in Deed in Book 1446, page 356, Official Records in the office of the Contra Costa County Recorder.

Lands of Giuseppe Sparacino, et al., recorded as Parcel No. Three in Book 3462, page 286, Official Records in the office of the Contra Costa County Recorder.

Lands of Bartholomew Bisio as recorded in Book 6284, page 471, Official Records in the office of the Contra Costa County Recorder.

Lands of Doyle D. Hester, et al., as recorded in Book 5006, page 149, Official Records in the office of the Contra Costa County Recorder.

(b) Nothing contained in this act shall be deemed to preclude the application of provisions of Section 6312 of the Public Resources Code to the above described lands.

SEC. 3. (a) There is hereby granted to the City of Martinez, and to its successors, all right, title, and interest of the state held by virtue of its sovereignty in and to the three parcels of land situated in the County of Contra Costa and described as follows:

Parcel "A"

Commencing at the intersection of the north line of Tideland Survey No. 9 and the east line of North Court Street as shown on Map of "City of Martinez Waterfront Area" filed March 10, 1955, in Volume 16, Pages 39 to 43, Licensed Surveyor's Maps in the Office of the Contra Costa County Recorder; thence along said northerly line of Tideland Survey No. 9 North 76° 56' 53" East 488.36 feet; thence leaving said northerly line North 20° 03' 30" West 130.00 feet; thence North 63° 50' 00" East 85.00 feet to the true point of beginning; thence North 03° 30' 00" East 110.00 feet; thence North 12° 10' 00" East 660.00 feet; thence North 05° 05' 39" West 119.71 feet; thence North 88° 03' 16" East 242.85 feet; thence South

12° 10' 00" West 797.24 feet; thence South 63° 50' 00" West 233.84 feet to the point of beginning.

Parcel "B"

Commencing at the intersection of the north line of Tideland Survey No. 9 and the east line of North Court Street as shown on Map of "City of Martinez Waterfront Area" filed March 10, 1955, in Volume 16, Pages 39 to 43, Licensed Surveyor's Maps in the Office of the Contra Costa County Recorder; thence along said northerly line of Tideland Survey No. 9 North 76° 56' 53" East 488.36 feet; thence leaving said northerly line North 20° 03' 30" West 130.00 feet; thence North 63° 50' 00" East 318.84 feet to the true point of beginning being the southeasterly corner of Parcel "A" described above; thence North 12° 10' 00" East 797.24 feet along the east line of said Parcel "A"; thence leaving said east line North 88° 03' 16" East 156.26 feet; thence South 89° 00' 00" East 100.00 feet; thence South 66° 20' 00" East 120.00 feet; thence South 25° 45' 00" East 453.00 feet; thence South 68° 10' 00" West 385.00 feet; thence South 63° 50' 00" West 416.16 feet to the point of beginning.

Parcel "C"

That parcel of land described in the lease to the Southern Pacific Transportation Company by the City of Martinez per Resolution No. 111 (1959 series) dated August 5, 1959, and Resolution No. 72-75 dated June 4, 1975.

The bearings and distances used in the above descriptions of Parcels "A" and "B" are based on the California Coordinate System Zone 3 as shown on Map of "City of Martinez Waterfront Area" filed March 10, 1955, in Volume 16, Pages 39 to 43, Licensed Surveyor's Maps in the Office of the Contra Costa County Recorder.

(b) Such lands shall be held by the city and its successor in trust for the following uses, in which there is a general, statewide interest, and upon the following express conditions:

Parcel "A" shall be used only for Marina spoils and spoil removal, parking, boat storage, chandlery, recreation, landscaping, and any other use permitted by the Martinez Waterfront Land Use Plan; provided that in no event shall any building or structure be placed on parcel "A" that exceeds 20 feet in height.

Parcel "B" shall be used only for Marina spoils and spoil removal and any other use permitted by the Martinez Waterfront Land Use Plan.

Parcel "C" shall be used only in its present use as a railroad right-of-way.

Further, all such uses shall accord with the terms and conditions

of the lease and agreements specified in subdivision (f) of Section 1, and the development and operation of the entire area of such parcels shall be under the supervision of the City-State Committee, in the same manner as is presently provided by such lease and agreements with respect to lands subject to such lease and agreements.

The grant made by this section shall not become effective unless and until the city files quitclaim to all previously granted tidelands that are within the area hereby granted to the district by this act and described in Section 15.

SEC. 4. There is hereby granted to the East Bay Regional Park District, hereinafter referred to as the "district," all right, title, and interest of the state held by virtue of its sovereignty in and to all tide and submerged lands, whether filled or unfilled, situated in the County of Contra Costa and described in Section 15; provided, however, that this grant shall not become effective unless and until the City of Martinez files quitclaim to all previously granted tidelands that are within the area granted to the district by this act and described in Section 15. Such lands shall be held by the district, and its successors, in trust for the following uses and upon the following express conditions:

(a) That the lands shall be used by the district, and its successors, for purposes in which there is a general statewide interest. The use of the lands shall be in conformity with the Martinez Waterfront Land Use Plan as adopted by the district on April 20, 1976, and the City of Martinez on April 14, 1976. Changes or amendments to the Martinez Waterfront Land Use Plan shall be reviewed and approved by the State Lands Commission as provided in Section 6. Implementation of the plan through the improvement, restoration, preservation, or maintenance of the lands shall be determined by the State Lands Commission in accordance with Section 5. Lands shall be used as provided under the plan.

(b) That the acquisition of property and the rendition of services reasonably necessary to carrying out the uses and purposes described in this section, including the amortization or debt service of any capital improvement funding program, shall be consistent with the terms and conditions set forth in this act.

(c) That the district, or its successors, shall not at any time grant, convey, give, or alienate the lands, or any part thereof, to any individual, firm, or corporation for any purposes whatsoever; provided, however, that the district, or its successors, may grant franchises thereon for limited periods, not exceeding 66 years for wharves and other public uses and purposes; may lease the lands, or any part thereof, for limited periods, not exceeding 66 years, for purposes consistent with the trusts upon which the lands are held by the state; and may collect and retain rents and other revenues from such leases, franchises, and privileges under rules and regulations adopted in accordance with the provisions of Section 7.

Nothing contained in this subdivision shall be deemed to affect the validity or term of any franchise granted by the district under

Division 3 (commencing with Section 6001) of the Public Utilities Code, and any such franchise shall be effective with respect to the affected lands when title thereto passes to the district under this act.

(d) Except as provided in Section 2, this act does not affect or impair any rights of private parties within the described lands which exist as a result of lawful transactions and obligations entered into prior to January 1, 1977.

(e) That the lands shall be improved, preserved, restored, or maintained without expense to the state; provided, however, that nothing contained in this act shall preclude expenditures for any statewide public purpose not inconsistent with commerce, navigation, and fisheries or with other statewide public policy under the Environmental Quality Act of 1970 by the state or any board, agency, or commission thereof, when authorized or approved by the district; nor shall anything contained in this act preclude expenditures by the district of any funds received for such purposes from the state or any board, agency, or commission thereof.

(f) That, in the management, conduct, operation, and control of the lands or any improvements, betterments, or structures thereon, the district or its successors shall make no discrimination in rates, tolls, or charges for any use or service in connection therewith.

(g) That the state shall have the right to use without charge any transportation, landing, or storage improvements, betterments, or structures constructed upon the lands for any vessel or other watercraft or railroad owned or operated by the state.

(h) That there is reserved to the people of the State of California the absolute right to fish in the waters over the lands, with the right of convenient access to such waters over the lands for such purpose.

(i) That there is excepted and reserved to the state all deposits of minerals, including, but not limited to, oil and gas; other gases including, but not limited to, nonhydrocarbon and geothermal gases; oil shale, coal, phosphate, alumina, silica, fossils of all geological ages, sodium, gold, silver, metals and their compounds, alkali, alkali earth, sand, clay, gravel, salts and mineral waters, uranium, trona, and geothermal resources.

(j) That the district shall not authorize a capital outlay project, lease, or agreement, for port facilities such as marine terminals, pipelines, or other related energy facilities on state tide and submerged lands which have been granted in trust without first requesting and receiving the approval, in writing, of the State Lands Commission. In its review of such capital outlay projects, leases, or agreements, the commission shall consult with other governmental agencies and determine that such project is in and for the best interests of the people of the state and consistent with provisions of law, and that the allocation between the state and the district of any revenues generated as a result of such project, lease, or agreement shall be in accordance with provisions for allocation of excess revenue contained in Section 10.

(k) That the provisions of Section 6359 of the Public Resources

Code do not apply to this act.

SEC. 5. On or before January 1, 1982, the lands shall be substantially improved, restored, preserved, or maintained by the district without expense to the state, in accordance with the first phase of the Martinez Waterfront Land Use Plan; and, if the State Lands Commission determines that the district has failed to improve, restore, preserve, or maintain the lands, as required by the first phase of the plan, all right, title, and interest of the district in and to all lands granted by this act shall cease, and all right, title, and interest in the lands shall revert to the state. All improvement, restoration, preservation, or maintenance shall be effected in accordance with the Martinez Waterfront Land Use Plan.

SEC. 6. (a) The district shall submit all changes and amendments to the Martinez Waterfront Land Use Plan to the State Lands Commission for its approval. The commission shall review such changes and amendments with reasonable promptness to determine whether the amendment is in accord with the statutory purposes permitted and the statewide public trust required by subdivision (a) of Section 4. On the basis of such review, the commission shall furnish the district with its formal written recommendations. Such formal written recommendations shall take one of the following forms: approval as proposed; approval subject to recommended changes; recommendation of alternative plan; or disapproval stating the reasons therefore.

(b) Any change or amendment of such plan that would authorize commercial, income-producing development on lands granted to the city by subdivision (a) of Section 3 shall also be submitted to the city-state committee for its approval pursuant to the authority granted the committee by subdivision (b) of Section 3, prior to submission of such change or amendment to the commission for its approval pursuant to subdivision (a) of this section.

SEC. 7. (a) The governing body of the district shall, on or before July 1, 1977, develop and submit to the State Lands Commission for its approval, a procedure, rules, and regulations to govern the issuance, renewal, or renegotiation of any lease of state tide and submerged lands, or any development thereon. Such rules and regulations shall specify lease rates, the bases upon which such rates are established, lease terms and conditions, provision for renegotiation of rates and terms and assignments, and such other information as may be required by the commission. The commission shall make its determination within 90 days of its receipt of such information. Approval by the commission of the lease procedure, rules, and regulations shall be required before additional leases can be entered into on the granted lands.

(b) Nothing contained in this act shall preclude the district from leasing granted lands to the City of Martinez in accordance with the Martinez Waterfront Land Use Plan.

(c) This act amends the agreements of December 20, 1973, and October 27, 1964, between the City of Martinez and the State of

California and the lease of October 27, 1964, between the City of Martinez and the State Lands Commission to the extent that the lands granted hereby to the district are excluded therefrom and are released from the encumbrances and obligations thereunder. Nothing contained in this act, however, shall preclude recognition of the obligations under the agreements of December 20, 1973, and October 27, 1964, and the lease of October 27, 1964, or of any other agreement, lease, or requirement of law, and nothing herein shall preclude recognition that the lands referred to in the agreements and lease that are not granted hereunder to the district shall continue to be subject to the provisions of the agreements and lease and any applicable provision of law including, but not limited to, the encumbrances thereunder as security for payments.

(d) The City-State Committee shall consult with the district concerning matters on, and in the vicinity of, the granted lands, which are of mutual concern.

(e) The district shall submit to the State Lands Commission within 30 days a copy of any new or renegotiated lease, upon request of the commission therefor.

SEC. 8. The district shall establish a separate tidelands trust fund or funds in such manner as may be approved by the State Lands Commission and the district shall deposit in the fund or funds all moneys received directly from, or indirectly attributable to, the granted lands in the district. An annual statement of financial condition and operations, to conform with such requirements as the commission may prescribe, shall be submitted to the commission on or before October 1 of each year, for the preceding fiscal year.

SEC. 9. Notwithstanding any other provision of law to the contrary, the district, acting either alone or jointly with another local or state agency, may use revenues accruing from or out of the use of the granted lands for any or all of the authorized purposes on the granted lands; provided, however, that such other agencies shall comply with the terms of the trust, and such revenues shall be expended only for matters of statewide, as distinguished from local or purely private, interest and benefit that are in conformity with the Martinez Waterfront Land Use Plan.

SEC. 10. As to the expenditure of revenues for any single capital improvement on the granted lands involving an amount in excess of two hundred fifty thousand dollars ($250,000) in the aggregate, the district shall file with the State Lands Commission a detailed description of such capital improvement not less than 90 days prior to the time of any disbursement therefor or in connection therewith, except for any expenditure for preliminary planning. The commission may, within 90 days after the time of such filing, determine and notify the district that such capital improvement is not in the statewide interest and benefit and is not authorized by the provisions of the Martinez Waterfront Land Use Plan as it exists or as it may be amended under Section 6.

The commission may request the opinion of the Attorney General

on the matter; and if it does so, a copy of such opinion shall be delivered to the district with the notice of its determination. In the event the commission notifies the district that such capital improvement is not authorized, the district shall not disburse any revenue for, or in connection with, such capital improvement, unless and until it is determined to be authorized by a final order or judgment of a court of competent jurisdiction. The district is authorized to bring suit against the state for the purpose of securing such an order or adjudication, which suit shall have priority over all other civil matters. Service shall be made upon the Executive Officer of the State Lands Commission and the Attorney General, and the Attorney General shall defend the state in such suit. If judgment be given against the state in such suit, no costs shall be recovered.

SEC. 11. On June 30, 1979, and at the end of every third fiscal year thereafter, that portion of the district tideland trust revenues in excess of two hundred fifty thousand dollars ($250,000) remaining after current and accrued operating costs and expenditures directly related to the operation or maintenance of tidelands trust activities have been made, shall be deemed excess revenues; provided, however, that any funds deposited in a reserve fund to retire bond issues for the improvement or operation of the granted lands shall not be deemed excess revenue. Capital improvements of the granted lands made for purposes authorized by this act may be considered as expenditures for the purpose of determining net revenues.

The excess revenue, as determined pursuant to this section, shall be allocated as follows: 85 percent shall be transmitted to the State Treasurer for deposit in the General Fund in the State Treasury; and 15 percent, to the district for deposit in the trust fund created pursuant to Section 8, for use for any purpose authorized by Section 4.

SEC. 12. (a) The State Lands Commission, at the request of the district, shall grant an extension of time, not to exceed 90 calendar days, for filing any report or statement required by this act which was not filed due to mistake or inadvertence.

(b) In the event that the district fails or refuses to file with the State Lands Commission any report, statement, or document required by any provision of this act within the time period specified by this act, or any extension period granted pursuant to this act, or fails or refuses to carry out the terms of this act, the Attorney General shall, upon the request of the commission, bring such judicial proceedings for correction and enforcement as are appropriate, and shall act to protect any improvements to, or assets situated upon, the granted lands or derived therefrom. The commission shall notify the Chief Clerk of the Assembly and the Secretary of the Senate within 30 days of the occurrence of such failure or refusal and of actions taken as a result thereof.

SEC. 13. (a) The State Lands Commission shall, from time to time, recommend to the Legislature such amendments as it may deem necessary in the terms and conditions of this act.

(b) The State Lands Commission shall, from time to time, institute a formal inquiry to determine that the terms and conditions of this act, and amendments thereto, have been complied with, and that all other applicable provisions of law concerning these specific granted lands are being complied with in good faith.

(c) The State Lands Commission shall, on or before December 31st of each year, report to the Chief Clerk of the Assembly and to the Secretary of the Senate the full details of any transaction or conditions reported to the commission pursuant to this act which it deems to be in probable conflict with the requirements of this act or with any other provision of law.

SEC. 14. The Legislature reserves the right to amend or modify, in whole or in part, the tidelands and submerged lands granted and conveyed in trust pursuant to this act; provided, however, that the state shall thereupon assume and be bound by all lawful transactions and obligations related to such lands entered into or created by the district during its holding of such lands.

SEC. 15. Lands that are granted pursuant to Section 4 are hereby described as follows:

Beginning at the most easterly corner of Tideland Survey No. 2, in Contra Costa County, as per patent thereof from the State of California, to C. B. Houghton, dated November 15, 1867, recorded in Volume 1, Page 53, of Patents in the Office of the Contra Costa County Recorder, said corner designated as J. C. No. 1 on "Map of Resurvey of Marsh and Tideland Surveys Nos. 2, 3 and 9" filed in Book 11, Page 22, Licensed Surveyor's Maps, in the Office of the Contra Costa County Recorder; thence South 46° 56' 53" West 22.55 feet along the southerly boundary of said Tideland Survey No. 2 to the point of intersection with the northerly right-of-way line of the Southern Pacific Transportation Company as described in City of Martinez Ordinance No. 144 N.S., recorded in Book 2467, Page 16, Official Records in the Office of the Contra Costa County Recorder, said point being on a curve concave to the southeast, the center of which bears South 24° 23' 24" East; thence southwesterly along said right-of-way line, and along said curve having a radius of 3,014.75 feet, an arc distance of 779.63 feet through an angle of 14° 49' 01"; thence South 39° 12' 25" East 96.00 feet; thence South 50° 47' 35" West 269.98 feet to the beginning of a curve concave to the northwest, the center of which bears North 39° 12' 25" West; thence southwesterly along said curve having a radius of 2,810.76 feet, an arc distance of 1,373.59 feet, through an angle of 28° 00' 00" to the point of compound curve, said curve being concave to the northwest, the center of which bears North 11° 12' 25" West; thence southwesterly along said curve having a radius of 11,404.52 feet, an arc distance of 211.32 feet, through an angle of 1° 03' 42"; thence South 30° 33' 07" East 10.64 feet to the point of intersection with the northerly right-of-way line of the Southern Pacific Transportation Company as described in deeds recorded in Book 32, Page 485, and Book 32, Page 514, of Deeds in the Office of the

Contra Costa County Recorder, said point being on a curve concave to the northwest, the center of which bears North 10° 09' 40" West; thence southwesterly along said right-of-way line as described in the last above mentioned deeds and along said curve having a radius of 11,414.52 feet, an arc distance of 141.17 feet through an angle of 0° 42' 31" to the southeasterly corner of the parcel of land described in the deed to the Southern Pacific Transportation Company recorded in Book 192, Page 155, Official Records, and as shown on the map recorded in Book 39, Page 5, of Licensed Surveyor's Maps in the Office of the Contra Costa County Recorder; thence leaving said right-of-way along the easterly line of said parcel North 30° 33' 07" West 10.98 feet to the southeasterly corner of Parcel Four described in quitclaim deed to Frank Celle, Sidney Ross, and Carlo Zocchi, recorded in Book 7332, Page 163, Official Records in the Office of the Contra Costa County Recorder; thence along the northeasterly line of said parcel North 30° 33' 07" West 425.03 feet to the northeasterly corner of said parcel; thence along the northerly line of said Parcel Four South 85° 05' 53" West 188.58 feet to the northwesterly corner of said Parcel Four, being the northeasterly corner of Parcel One in said quitclaim deed; thence along the northerly line of said Parcel One South 85° 05' 53" West to the intersection with the mean high tide line along the easterly bank of Alhambra Creek being the northwesterly corner of said Parcel One; thence southerly along said mean high tide line to the northerly right-of-way line of the Southern Pacific Transportation Company as described in above mentioned Book 32 of Deeds, Page 514; thence westerly along said right-of-way to the intersection with the mean high tide line along the westerly bank of Alhambra Creek; thence northerly along said mean high tide line to the intersection with the northerly line of that parcel of land described in the deed to Antone Pellegrini recorded in Book 623, Page 46, Official Records in the Office of the Contra Costa County Recorder; thence along said northerly line South 84° 27' 04" West to the southwesterly corner of that parcel of land described in deed to City of Martinez recorded in Book 2437, Page 434, Official Records in the Office of the Contra Costa County Recorder; thence along the boundary of said parcel the following two courses: North 5° 32' 56" West 56.63 feet, South 84° 27' 04" West 22.73 feet to a corner of said parcel; thence leaving said parcel and continuing southwesterly across Berrellessa Street, a right of way for road purposes as provided for in the deed from Henry Coffin to Grangers Warehouse and Business Association of Contra Costa County, dated December 21, 1892, and recorded May 25, 1893, in Book 63, Page 482, of Deeds, in the Office of the Contra Costa County Recorder, to the northeasterly corner of the parcel of land described in deed to William J. Loomis and Norma E. Loomis recorded in Book 7095, Page 49, Official Records in the Office of the Contra Costa County Recorder; thence along the northerly boundary of said parcel South 84° 27' 04" West 100.00 feet

to the northwest corner of said parcel being the southwest corner of the parcel of land described in deed to the City of Martinez recorded in Book 2493, Page 127, Official Records in the Office of the Contra Costa County Recorder; thence along the westerly boundary of said parcel North 5° 32' 56" West 35.60 feet to the point of intersection of the northerly line of the 50-foot easement described in Grant of Easement to the Central Contra Costa Sanitary District recorded in Book 5761, Page 1, Official Records in the Office of the Contra Costa County Recorder, with said westerly boundary of the parcel described in Book 2493, Page 127, Official Records in the Office of the Contra Costa County Recorder; thence along the northerly line of said 50-foot easement South 85° 05' 53" West 513.48 feet to the point of intersection with the easterly boundary of the parcel of land described in deed to City of Martinez recorded in Book 2865, Page 339, Official Records in the Office of the Contra Costa County Recorder; thence along the easterly boundary of said parcel South 5° 32' 56" East 385.54 feet to the point of intersection with the northerly right-of-way line of the Southern Pacific Transportation Company as described in the deeds recorded in Book 24, Page 569, Book 32, Page 379, and Book 32, Page 514, of Deeds in the Office of the Contra Costa County Recorder, said point being on a curve concave to the northeast, the center of which bears North 13° 39' 46" East; thence northwesterly along said right-of-way line, and along said curve having a radius of 2,247.88 feet, an arc distance of 177.74 feet, through an angle of 4° 31' 49" to the point of compound curve, said curve being concave to the northeast, the center of which bears North 18° 11' 35" East; thence northwesterly along said curve having a radius of 6,206.14 feet, an arc distance of 481.74 feet, through an angle of 4° 26' 51" to the point of intersection with the westerly line of Tideland Survey No. 4 as per patent thereof from the State of California to Oliver C. Coffin, dated November 15, 1867; recorded in Book 1, Page 55 of Patents in the Office of the Contra Costa County Recorder; thence continuing along said right of way line, being a curve concave to the northeast, the center of which bears North 22° 38' 26" East, having a radius of 6,206.14 feet, an arc distance of 550.89 feet, through an angle of 5° 05' 09"; thence tangent to said curve, North 62° 16' 25" West 3,515.29 feet to a point on a curve concave to the southwest, the center of which bears South 27° 43' 35" West; thence northwesterly along said curve having a radius of 5,773.31 feet, an arc distance of 46.55 feet, through an angle of 0° 27' 43" to the intersection with the southerly line of Tideland Survey No. 32 as per patent thereof from the State of California to L. B. Mizner, dated June 14, 1877, recorded in Book 2, Page 503, of Patents in the Office of the Contra Costa County Recorder, as per amended map thereof approved by the State Surveyor General on April 18, 1927; thence easterly along the southerly line of said Tideland Survey No. 32 South 87° 42'10" East 576.28 feet to the most easterly corner thereof; thence northwesterly along the

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northerly line of said Tideland Survey No. 32 North 63° 12' 10" West 224.24 feet; thence leaving the northerly line of said Tideland Survey No. 32 North 79° 47' 48" East 5,173.90 feet; thence North 69° 56' 30" East 810.00 feet; thence South 81° 03' 30" East 1,220.00 feet; thence South 26° 56' 14" East 910.37 feet to Station "G" as shown on map filed as Document No. 48614 in Volume 20, Page 13, of Licensed Surveyor's Maps in the Office of the Contra Costa County Recorder; thence South 27° 41' 38" East 615.59 feet to the northeast corner of Tideland Survey No. 9 as per patent thereof from the State of California to Charles C. Swain, dated January 25, 1892, as per above mentioned "Map of Resurvey of Marsh and Tideland Surveys Nos. 2, 3 and 9"; thence along the easterly line of said Tideland Survey No. 9 South 21° 33' 07" East 39.60 feet to the northeast corner of above mentioned Tideland Survey No. 2; thence along the easterly line of said Tideland Survey No. 2 South 30° 33' 07" East 476.13 feet to the point of beginning.

Excepting therefrom the following described parcel:

Commencing at the intersection of the north line of Tideland Survey No. 9 and the east line of North Court Street as shown on Map of "City of Martinez Waterfront Area" filed March 10, 1955, in Volume 16, Pages 39 to 43, Licensed Surveyor's Maps in the Office of the Contra Costa County Recorder; thence South 20° 03' 30" East 240.00 feet to the true point of beginning; thence South 69° 56' 30" West 50.00 feet to the centerline of North Court Street; thence North 20° 03' 30"West 630.00 feet along the centerline of North Court Street; thence leaving said centerline North 63° 05' 00" West 410.36 feet; thence North 20° 03' 30" West 530.00 feet; thence North 17° 02' 14" East 272.81 feet; thence North 16° 00' 00" West 380.00 feet; thence South 79° 47' 48" West 300.00 feet; thence North 10° 12' 12" West 200.00 feet to the intersection with the northerly line of the above described parcel; thence along said northerly line North 79° 47' 48" East 380.00 feet; thence North 69° 56' 30" East 810.00 feet; thence South 81° 03' 30" East 710.00 feet; thence leaving said northerly line South 07° 00' 00" West 900.00 feet; thence South 05° 05' 39" East 119.71 feet; thence South 12° 10' 00" West 660.00 feet; thence South 03° 30' 00" West 110.00 feet; thence South 63° 50' 00" West 85.00 feet; thence South 20° 03' 30" East 130.00 feet to the intersection with the northerly line of Tideland Survey No. 9; thence along said northerly line South 76° 56' 53" West 35.00 feet; thence leaving said northerly line South 20° 03' 30" East 184.70 feet; thence South 69° 56' 30" West 450.00 feet to the point of beginning.

Also excepting therefrom the following three parcels:

Parcel "A"

Commencing at the intersection of the north line of Tideland Survey No. 9 and the east line of North Court Street as shown on Map of "City of Martinez Waterfront Area" filed March 10, 1955, in Volume 16, Pages 39 to 43, Licensed Surveyor's Maps in the

Office of the Contra Costa County Recorder; thence along said northerly line of Tideland Survey No. 9 North 76° 56' 53" East 488.36 feet; thence leaving said northerly line North 20° 03' 30" West 130.00 feet; thence North 63° 50' 00" East 85.00 feet to the true point of beginning; thence North 03° 30' 00" East 110.00 feet; thence North 12° 10' 00" East 660.00 feet; thence North 05° 05' 39" West 119.71 feet; thence North 88° 03' 16" East 242.85 feet; thence South 12° 10' 00" West 797.24 feet; thence South 63° 50' 00" West 233.84 feet to the point of beginning.

Parcel "B"

Commencing at the intersection of the north line of Tideland Survey No. 9 and the east line of North Court Street as shown on Map of "City of Martinez Waterfront Area" filed March 10, 1955, in Volume 16, Pages 39 to 43, Licensed Surveyor's Maps in the Office of the Contra Costa County Recorder; thence along said northerly line of Tideland Survey No. 9 North 76° 56' 53" East 488.36 feet; thence leaving said northerly line North 20° 03' 30" West 130.00 feet; thence North 63° 50' 00" East 318.84 feet to the true point of beginning, being the southeasterly corner of Parcel "A" described above; thence North 12° 10' 00" East 797.24 feet along the east line of said Parcel "A"; thence leaving said east line North 88° 03' 16" East 156.26 feet; thence South 89° 00' 00" East 100.00 feet; thence South 66° 20' 00" East 120.00 feet; thence South 25° 45' 00" East 453.00 feet; thence South 68° 10' 00" West 385.00 feet; thence South 63° 50' 00" West 416.16 feet to the point of beginning.

Parcel "C"

That parcel of land described in the lease to the Southern Pacific Transportation Company by the City of Martinez per Resolution No. 111 (1959 series) dated August 5, 1959, and Resolution No. 72-75 dated June 4, 1975.

The bearings and distances used in the above descriptions, except for the description of Parcel "C", are based on the California Coordinate System Zone 3 as shown on Map of "City of Martinez Waterfront Area" filed March 10, 1955, in Volume 16, Pages 39 to 43, Licensed Surveyor's Maps in the Office of the Contra Costa County Recorder.

SEC. 16. Chapter 37 of the Statutes of 1851 is repealed.

SEC. 17. Chapter 442 of the Statutes of 1929 is repealed.

SEC. 18. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desires legislative authority to act to carry out the program specified in this act.

CHAPTER 816

An act to repeal Section 9446 of the Education Code, relating to instructional materials, and making an appropriation therefor.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 9446 of the Education Code is repealed.

CHAPTER 817

An act to amend Sections 9322, 9401, 9422, and 9423 of, to add Section 9400 to, and to repeal Section 9400 of, the Education Code, relating to instructional materials.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 9322 of the Education Code is amended to read:

9322. No provision of this division shall be construed as prohibiting any district board, or any public library, from ordering and purchasing from their own funds such instructional materials as they may require, including state-listed materials at a price equal to that computed pursuant to Section 9443.

SEC. 2. Section 9400 of the Education Code is repealed.

SEC. 3. Section 9400 is added to the Education Code, to read:

9400. The state board shall adopt instructional materials for use in kindergarten and grades one through eight for a use period for governing boards of six years, commencing the first year of use in a district, subject to Section 9465 and to the following provisions:

(a) At least biennially, adoptions shall be made for all applicable levels for the following categories: (1) language arts, (2) mathematics, (3) reading, (4) science, (5) social science, (6) bilingual or bicultural subjects, and (7) any other subject, discipline, or interdisciplinary areas for which the state board may determine the need and desirability for instructional materials to promote the maximum efficiency of pupil learning.

(b) While categories may be designated to be adopted in alternate years, the state board shall adopt not less than five but no more than 15 of any of the following for each subject in each grade: (a) instructional materials, (b) instructional materials systems, (c) instructional materials sets, and, (d) a combination of instructional materials, instructional materials systems, and instructional materials

sets, as the state board may select. However, less than five items per subject, per grade may be adopted when the state board establishes that adequate materials are not available for certain grades and subjects. The state board shall not adopt more than two instructional materials sets for each subject in each grade.

(c) In the event that a district board establishes to the satisfaction of the state board that the state-adopted instructional materials do not promote the maximum efficiency of pupil learning in the district, the state board shall authorize that district board to use its instructional materials' credits to purchase, through the Department of Education, materials as specified by the state board, in accordance with standards and procedures established by the state board.

(d) The state board shall establish procedures to provide the most open and flexible submissions, as to timing and processing, to provide collections of instructional materials which, when taken as a whole, illustrate diverse points of view; represent cultural pluralism and provide a broad spectrum of knowledge, information, and a cross section of opinions; and allow for a combination of approaches and media to best meet the goals of a program and the needs of pupils.

(e) Upon making an adoption, the state board shall make available to listed publishers and manufacturers and all school interests a listing of instructional materials. Items placed upon lists shall remain thereon, and be available for procurement through the state's systems of financing, for a period of not less than four years following the date of initial use as established pursuant to subdivision (i). All previous adoptions shall be integrated on lists and made available by subject and level.

(f) The state board may approve multiple lists of instructional materials, without designating a grade or subject, and the state board may designate more than one grade or subject whenever the state board designates that a single subject designation or a single grade designation would not promote the maximum efficiency of pupil learning. Any materials so designated may be placed on single grade or single subject lists, or multigrade or interdisciplinary lists, or may be placed on separate lists including other materials with similar grade or subject designations; however, all materials so designated shall be adopted subject to the limitations of subdivision (b).

(g) A composite listing in the format of an order form may be used to meet the requirements of this section.

(h) The lists maintained pursuant to this section shall not be deemed to control the use period by any local district.

(i) The state board shall, at the time of initiating the call for bids for instructional materials, establish the date upon which such state-adopted materials shall initially be available for use by the pupils.

SEC. 4. Section 9401 of the Education Code is amended to read:

9401. In approving and maintaining lists of adopted instructional materials at least biennially, the state board shall, pursuant to subdivision (e) of Section 9400, do any one or more of the following,

when applicable:

(a) Retain any instructional materials from a previous list and biennially make any adjustment in prices based on information provided pursuant to Section 9423.

(b) Delete from the lists any instructional material which it determines is obsolete pursuant to Section 9800, or which received no order from any district board during the previous biennial period.

(c) Add instructional materials not previously submitted for adoption, or materials previously submitted which have been revised to comply with any recommendations of the state board.

SEC. 5. Section 9422 of the Education Code is amended to read:

9422. Publishers and manufacturers shall, at a time designated by the state board, submit the following information:

(a) Detailed specifications of the physical characteristics of such material. Such specifications shall be complied with by the publisher or manufacturer if the material is adopted and purchased in completed form by the state board or any district board. If the material is adopted under a lease contract, the Department of General Services shall follow comparable specifications in manufacturing the material. Changes in specifications may be made when approved by the state board and the publisher or manufacturer.

(b) A price schedule for the sale of completed materials to the state, including all costs of transportation pursuant to subdivision (a) of Section 9261, a statement of the cost to the State of California of purchasing a single unit of each item of instructional material, and any discounts for quantity purchases and any discounts for payment within any specified period of time.

(c) A price schedule for the lease and/or purchase by the state of films, dies, and other materials to be used by the state to manufacture such materials.

(d) A price schedule of royalty costs to be paid to the publisher or manufacturer whenever the state manufactures and distributes to school districts any such materials.

SEC. 6. Section 9423 of the Education Code is amended to read:

9423. Publishers and manufacturers may biennially submit revisions to price schedules submitted pursuant to Section 9422 for purposes of subdivision (a) of Section 9401.

CHAPTER 818

An act to add Section 13870.2 to the Education Code, and to amend Section 20100.1 of the Government Code, relating to public retirement boards.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 13870.2 is added to the Education Code, to read:

13870.2. The members of the Teachers' Retirement Board who are not members of the system and who are appointed by the Governor pursuant to Section 13870 shall receive fifty dollars ($50) for every day of actual attendance at meetings of the board or any meeting of any committee of the board of which committee such person is a member, and which committee is conducted for the purpose of carrying out the powers and duties of the board, together with their necessary traveling expenses incurred in connection with performance of their official duties.

SEC. 2. Section 20100.1 of the Government Code is amended to read:

20100.1. The members of the board of administration appointed by the Governor pursuant to subdivision (c) of Section 20100 and any retired person serving on the board pursuant to subdivision (d) of Section 20100 shall receive fifty dollars ($50) for every day of actual attendance at meetings of the board or any meeting of any committee of the board of which committee such person is a member and which meeting is conducted for the purpose of carrying out the powers and duties of the board, together with their necessary traveling expenses incurred in connection with performance of their official duties.

CHAPTER 819

An act to amend Section 1018 of the Penal Code, relating to pleas.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1018 of the Penal Code is amended to read:

1018. Unless otherwise provided by law every plea must be entered or withdrawn by the defendant himself in open court. No plea of guilty of a felony for which the maximum punishment is death, or life imprisonment without the possibility of parole, shall be received from a defendant who does not appear with counsel, nor shall any such plea be received without the consent of the defendant's counsel. No plea of guilty to a capital offense which does not require the further proceedings provided for in Section 190.1 shall be received from a defendant. No plea of guilty of a felony for which the maximum punishment is not death or life imprisonment without the possibility of parole shall be accepted from any defendant who does not appear with counsel unless the court shall

first fully inform him of his right to counsel and unless the court shall find that the defendant understands his right to counsel and freely waives it and then, only if the defendant has expressly stated in open court, to the court, that he does not wish to be represented by counsel. On application of the defendant at any time before judgment the court may, and in case of a defendant who appeared without counsel at the time of the plea the court must, for a good cause shown, permit the plea of guilty to be withdrawn and a plea of not guilty substituted. Upon indictment or information against a corporation a plea of guilty may be put in by counsel. This section shall be liberally construed to effect these objects and to promote justice.

CHAPTER 820

An act to amend Sections 11643.4, and 12104 of, and to add Sections 12307, 12338, and 12368 to, the Public Utilities Code, relating to municipal utility districts.

[Approved by Governor September 8, 1976 Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11643.4 of the Public Utilities Code is amended to read:

11643.4. The officials in charge of conducting the election shall cause a ballot pamphlet concerning the district formation proposition to be voted on to be printed and mailed to each voter entitled to vote on the district formation question.

The ballot pamphlet shall contain the following in the order prescribed:

(a) The complete text of the proposition.

(b) The impartial analysis of the proposition prepared by the local agency formation commission.

(c) The argument for the proposed district formation.

(d) The argument against the proposed district formation.

The election officials shall mail a ballot pamphlet to each voter entitled to vote in the district formation election at least 10 days prior to the date of the election. Such a ballot pamphlet is "official matter" within the meaning of Section 10010 of the Elections Code.

SEC. 3. Section 12104 of the Public Utilities Code is amended to read:

12104. Every appointee to a permanent position shall be on probation for six months, except that the general manager may establish a probationary period for up to 12 months for professional, scientific, administrative, management, or executive positions, or for positions requiring certification by the state pursuant to Chapter 9

(commencing with Section 13625) of Division 7 of the Water Code. The general manager may terminate the appointment during the probationary period. If the appointment is not then terminated it shall be permanent, subject to this division and the rules and regulations adopted pursuant to this division.

SEC. 4. Section 12307 is added to the Public Utilities Code, to read:

12307. Notwithstanding any other provision of law, a participant in a deferred compensation plan may also participate in the district's retirement system, and, in ascertaining the amount of compensation of such participant, for purposes of computing the amount of his contributions or benefits under the district's retirement system, any amount deducted from his wages pursuant to Section 12338 shall be included.

SEC. 5. Section 12338 is added to the Public Utilities Code, to read:

12338. Nothing in this division shall prevent a district from establishing a deferred compensation plan for some or all of its officers and employees pursuant to Article 1.1 (commencing with Section 53212) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 6. Section 12368 is added to the Public Utilities Code, to read:

12368. Funds held by a district pursuant to a written agreement between the district and the employees of the district to defer a portion of the compensation otherwise receivable by the district's employees and pursuant to a plan for such deferral as adopted by the board, may be invested in the types of investments set forth in Section 53609 of the Government Code.

CHAPTER 821

An act to amend Section 11450.1 of the Welfare and Institutions Code, relating to public social services and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1976 Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11450.1 of the Welfare and Institutions Code is amended to read:

11450.1. During such times that federal law ceases to provide for a disregard of a certain portion of child support payments as is presently provided in Section 457(a)(1) of the Social Security Act and to the extent that there is federal financial participation at a level of no less than 50 percent of the cost, 40 percent of the first fifty

dollars ($50) of any amount collected in a month which represents payment on the required support obligation for that month shall be paid to the recipient and deducted from the amounts specified in Section 11452, not to exceed the amount of the difference between such amounts and the amount of the maximum aid payable pursuant to subdivision (a) of Section 11450.

The amount paid under this section shall not be considered income or resources of the recipient and shall not be deducted from the amount of aid to which the recipient would otherwise be entitled.

SEC. 1.5. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Since federal financial participation available under the aid to families with dependent children program to provide for a "disregard" of a certain portion of child support payments to recipients will terminate on September 30, 1976, and state law would continue to provide for a portion of the "disregard" after such date, in order to avoid the possibility of state and counties paying for the entire "disregard" without federal financial participation and the increase in cost, it is essential that this act go into immediate effect.

CHAPTER 822

An act to amend Sections 6257 and 26831 of, and to repeal Section 26832 of, the Government Code, relating to copy reproduction fees.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6257 of the Government Code is amended to read:

6257. A request for a copy of an identifiable public record or information produced therefrom, or a certified copy of such record, shall be accompanied by payment of a fee or deposit to the state or local agency, provided such fee shall not exceed the actual cost of providing the copy, or the prescribed statutory fee, if any, whichever is less.

SEC. 2. Section 26831 of the Government Code is amended to read:

26831. The county clerk may charge a reasonable fee to cover the cost of preparing copies of any record, proceeding, or paper on file in his office.

SEC. 3. Section 26832 of the Government Code is repealed.

SEC. 4. No appropriation is made by this act, nor is any obligation created thereby under Section 2231 of the Revenue and Taxation Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by it by this act.

CHAPTER 823

An act relating to the repair, restoration, or replacement of public property damaged or destroyed by storm and flood or flood conditions, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that the Tennant Community Services District in Siskiyou County, which incurred damage as a result of storms and floods of November, 1973, which applied for reimbursement of repair costs under the Natural Disaster Assistance Law (Article 6 (commencing with Section 54150) Ch. 5, Pt. 1, Div. 2, Title 5, Gov.C.), which was approved as having incurred damages that qualified it for receipt of such reimbursement, which was subsequently denied state reimbursement of such costs solely because the contractor and the district failed to provide a payment bond in accordance with Chapter 7 (commencing with Section 3247) of Title 15 of Part 4 of Division 4 of the Civil Code, and which at all times acted in good faith, unaware of any technical violation of law, shall not be deprived of the reimbursement of the state matching funds of such repair costs.

SEC. 2. There is hereby appropriated from the Public Facilities Account of the Natural Disaster Assistance Fund in the State Treasury to the Tennant Community Services District in Siskiyou County the sum of thirty-five thousand three hundred ninety-five dollars ($35,395) as reimbursement for the state portion of the cost of repairs resulting from the storms and floods of November, 1973, to be paid during the 1976–1977 fiscal year.

SEC. 3. This act shall not affect the obligation of the Tennant Community Services District to repay to the state the amount of four thousand three hundred forty-five dollars and ninety-four cents ($4,345.94) which was loaned to the district to cover its matching

share of such repair costs.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Inasmuch as the fiscal affairs of the Tennant Community Services District are severely disrupted by the liability to be extinguished by the appropriation made by this act, it is necessary that this act take effect immediately.

CHAPTER 824

An act to amend Section 2144 of the Business and Professions Code, relating to the practice of medicine.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2144 of the Business and Professions Code is amended to read:

2144. Nothing in this chapter prohibits service in the case of emergency, or the domestic administration of family remedies, nor does this chapter apply to any commissioned medical officer in the United States Army, Navy, Marine or Air Force hospital, or public health service, in the discharge of his official duties, nor to any licensed dentist when engaged exclusively in the practice of dentistry.

No person licensed under this chapter, who in good faith renders emergency care at the scene of the emergency, shall be liable for any civil damages as a result of any acts or omissions by such person in rendering the emergency care.

"The scene of the emergency" as used in this section shall include, but not be limited to, the emergency rooms of hospitals in the event of a medical disaster. "Medical disaster" means a duly proclaimed state of emergency or local emergency declared pursuant to the California Emergency Services Act. Acts or omissions occurring in emergency rooms of hospitals in the event of a medical disaster and excepted from liability pursuant to this section shall include those acts or omissions which occur after the declaration of a medical disaster and those which occurred prior to such declaration but after the commencement of such medical disaster. The immunity granted in this paragraph shall not apply in the event of a willful act or omission.

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CHAPTER 825

An act to amend Section 13073.5 of the Government Code, relating to the Population Research Unit.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 13073.5 of the Government Code is amended to read:

13073.5. The Legislature finds and declares that: (1) population size and distribution patterns in California exert a major influence on the physical, social, and economic structure of the state and on the quality of the environment generally; (2) sound and current data and methods to estimate population trends are necessary to enable state, regional, and local agencies to plan and function properly; and (3) there is a critical need for a proper study of the implications of present and future population trends in order that state, regional, and local agencies might develop or reexamine policies and actions based thereon.

The Population Research Unit shall:

(a) Develop basic demographic data and statistical compilations, which may include current population survey and a middecade census.

(b) Design and test methods of research and data collection.

(c) Conduct local population estimates as required by law.

(d) Validate all official census data and population statistics.

(e) Analyze and prepare projections of enrollments in public schools, colleges, and universities.

(f) Analyze governmental records to establish characteristics of migration and distribution.

(g) Publish annual estimates of the population of the state and its composition.

(h) Prepare short- and long-range projections of population and its composition.

(i) Provide advisory services to state agencies and other levels of government.

(j) Evaluate and recommend data requirements for determining population and population growth.

(k) Analyze the demographic features of the causes and consequences of patterns of natural increase or decrease, migration, and population concentration within the state.

(*l*) Assess the need for population data required for determining the allocation of federal, state, and other subvention revenues.

(m) Request and obtain from any department, division, commission, or other agency of the state such assistance and information as will enable the unit to effectively carry out the

provisions of this section.

(n) Cooperate with the Office of Planning and Research with respect to functions involving mutual areas of concern relating to demography and state planning.

(o) Enter into agreements to carry out the purposes of this section, including the application for and acceptance of federal funds or private foundation grants for demographic studies.

CHAPTER 826

An act to amend Section 99260.5 of, and to repeal Section 103205 of, the Public Utilities Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 99260.5 of the Public Utilities Code, as added by Chapter 322 of the Statutes of 1975, is amended to read:

99260.5. (a) Claims may also be filed with the transportation planning agency by transit districts under this article for payments to be made to a railroad corporation subject to the jurisdiction of the Public Utilities Commission and engaged in the transportation of persons, as defined in Section 208, for operating losses incurred in such transportation of persons between points within the district and for that portion of the operating losses incurred in such transportation of persons in the district whose origin or destination, or both, are outside the district.

(b) A transit district receiving funds under a claim filed pursuant to subdivision (a) shall use those funds for the purposes specified in that subdivision.

SEC. 2. Section 103205 of the Public Utilities Code, as added by Chapter 322 of the Statutes of 1975, is repealed.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that transit districts may use funds allocated under the Mills-Alquist-Deddeh Act to subsidize passenger rail service provided by railroad corporations within transit districts, even though the origin or destination, or both, are outside of the districts, to improve public transportation as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 827

An act to amend Section 14390 of the Education Code, relating to the State Teachers' Retirement Law.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 14390 of the Education Code is amended to read:

14390. (a) The retirement or disability allowance begins to accrue on the effective date of the retirement or disability.

(b) On death of the retirant, a person receiving a disability allowance or a person who is reinstated to membership, the allowance ceases on the day in which the death or reinstatement occurs.

(c) Family benefits begin to accrue on the day of the month following the day the death of the member occurs.

(d) Option benefits begin to accrue on the day of the month following the day the retirant died.

(e) Family or disability allowances payable on account of a full-time student begin to accrue at the beginning of the month during which the full-time student qualified for the allowance. An allowance terminates at the beginning of the month in which the student no longer qualifies for it.

CHAPTER 828

An act to amend Sections 2703, 2958, 3692, and 4103 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2703 of the Revenue and Taxation Code is amended to read:

2703. The entire tax on the secured roll may be paid when the first half is due. The first half may be paid separately when the first half is due or at any time thereafter until the properties on the current roll are sold to the state. The second half may be paid separately only if the first half has been paid.

SEC. 2. Section 2958 of the Revenue and Taxation Code is amended to read:

2958. The sale shall be at public auction. A sufficient amount of the property shall be sold to pay the taxes, penalties, and costs.

Costs include but are not limited to:

(a) The costs of advertising.

(b) The same mileage and keeper's fees as allowed by law to the sheriff for seizing and keeping property under attachment.

(c) A fee of not exceeding fifteen dollars ($15) for each seizure which may be charged by the tax collector making the seizure.

Whenever any of the foregoing costs have been incurred by the county any payment of taxes made thereafter shall include the amount of such costs.

SEC. 3. Section 3692 of the Revenue and Taxation Code is amended to read:

3692. (a) Subject to the prior offers made pursuant to subdivisions (b) and (c), the tax collector shall attempt to sell tax-deeded property as provided in this chapter within two years of the time that the property becomes tax-deeded property, unless by other provisions of law such tax-deeded property is not subject to sale. If there are no acceptable bids at such attempted sale, the tax collector shall attempt to sell the property at intervals of no more than four years until the property is sold.

(b) When oil, gas, or mineral rights are tax-deeded to the state, the tax collector shall first, with the approval of the board of supervisors and within one year, offer the interest at minimum bid to the highest bidder among holders of outstanding interests where the tax-deeded interest is a partial interest or, where the tax-deeded interest is a complete and undivided interest, to the owner or owners of the property to which the oil, gas, or mineral rights are appurtenant. The offer shall remain in effect for 30 days or until notice is given pursuant to Section 3702, whichever is later. In addition to notice given pursuant to Section 3702, actual notice shall also be given to both the holders of the rights and the owner of the property at least 30 days before the sale. Sealed bid procedures shall be used.

(c) When miscellaneous parcels which are rendered unusable by their size, location or other conditions are tax-deeded to the state, the tax collector may first, with the approval of the board of supervisors and within one year, offer the parcel at a minimum bid to owners of contiguous parcels. The offer shall remain in effect for 30 days or until notice is given pursuant to Section 3702, whichever is later. Sealed bid procedures shall be used and the property shall be sold to the highest bidder.

SEC. 4. Section 4103 of the Revenue and Taxation Code is amended to read:

4103. Redemption penalties are the sum of the following:

(a) Beginning July 1st of the year of sale to the state, on the amount of sold taxes at the time of sale, 1 percent a month to the time of redemption.

(b) Beginning July 1st of each subsequent year, on the unpaid taxes for which the property would have been sold to the state in that year if there had not been a previous sale, 1 percent a month to the time of redemption. If the last day of any month falls on Saturday,

Sunday, or a legal holiday, the additional penalty of 1 percent shall attach after 5 p.m. on the next business day.

CHAPTER 829

An act relating to the Huntington Beach Union High School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1976 Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The minimum schoolday in a high school which maintains a class schedule of at least eight hours per schoolday shall be 200 minutes in the case of a pupil who, on the effective date of this section, is enrolled in the high school and is also concurrently enrolled in a regional occupational program for not less than 180 minutes per day. This section shall apply only to the Huntington Beach Union High School District and shall be effective only until June 30, 1979.

SEC. 2. The Legislature finds and declares that because of unique circumstances existing with respect to students who are enrolled in the Huntington Beach Union High School District and who are concurrently enrolled in a regional occupational program, this act may not be made the subject of a general statute within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Overcrowding in the Huntington Beach Union High School District has necessitated an extended schoolday and a shortening of class periods. This situation creates a severe hardship for students who attend the high school for the statutorily prescribed minimum schoolday and who also participate in a regional occupational program. In order to alleviate this situation at the earliest possible time, with the least detriment to affected students, it is necessary for this act to go into effect immediately.

CHAPTER 830

An act to amend Section 20930.3 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 20930.3 of the Government Code is amended to read:

20930.3. "Public service" with respect to a local member, other than a school member, also means active service with the armed forces or the merchant marine of the United States, including time during any period of rehabilitation afforded by the United States government other than a period of rehabilitation for purely educational purposes, and for six months thereafter prior to the member's first employment by the employer under this section in which he was a member; provided, however, that any member electing to receive credit for such public service shall in addition to contributions otherwise required by this article contribute an amount equal to the contributions for current and prior service that the employee and his employer would have made with respect to him had he been in membership for a period equal to the military service and assuming that the employer's rate in effect at the time of election and his compensation at the beginning of his first period of service in membership with the employer under this section had been in effect for such period; and provided further that such public service shall not include military service (a) in any period for which credit is otherwise given under this article or Article 4 (commencing with Section 20890), (b) which is not continuous or (c) to the extent that total credit under this section would exceed four years. Notwithstanding Section 20933, a member may select which of two or more periods of continuous service entitles him to receive public service under this section. This section shall apply to a member only if he elects to receive credit while he is in state service in the employment of one employer on or after the date of the employer's election to be subject to this section.

This section shall not apply to any contracting agency nor to the employees of any contracting agency unless and until the agency elects to be subject to the provisions of this section by amendment to its contract made in the manner prescribed for approval of contracts or in the case of contracts made after this section takes effect, by express provision in such contract making the contracting agency subject to the provisions of this section.

SEC. 2. The amendments to Section 20930.3 of the Government Code enacted at the 1975–76 Regular Session of the Legislature shall only apply to those contracting agencies electing to become subject

to the provisions of this section and entering into or amending their contract after January 1, 1977. However, contracting agencies which elected to become subject to Section 20930.3 prior to January 1, 1977, may further amend their contract as to employees who have not elected service under Section 20930.3 prior to 90 days after such further amendment, to provide service credit under Section 20930.3 as amended; provided, that such a contract amendment has been agreed upon by the employer and the employees or their representatives.

CHAPTER 831

An act to amend Section 20452 of the Education Code, relating to county superintendents of schools.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 20452 of the Education Code is amended to read:

20452. The maximum tax rate the county superintendent of schools may levy pursuant to Section 6739, 6880.16, or 7456 shall be that necessary to fund the proposed authorized expenditures, exclusive of capital outlay, after all federal aid, state aid, and local income, other than from property tax revenue, has been deducted, but in no case shall the rate exceed that limit prescribed in Section 6739, 6880.16, or 7456 for current expenses only.

Nothing in this section shall be construed to prohibit federal or state aid for regional occupational centers or programs from being expended for capital outlay purposes.

CHAPTER 832

An act to amend Section 226 of the Labor Code, relating to labor.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 226 of the Labor Code is amended to read:

226. (a) Every employer shall semimonthly or at the time of each payment of wages furnish each of his employees either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately, an itemized statement in writing

showing: (1) gross wages earned; (2) all deductions; provided, that all deductions made on written orders of the employee may be aggregated and shown as one item; (3) net wages earned; (4) the inclusive dates of the period for which the employee is paid; (5) the name of the employee or his social security number; and (6) the name of the employer.

(b) Any employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) shall be entitled to recover all actual damages or one hundred dollars ($100), whichever is greater, plus costs and reasonable attorney fees.

CHAPTER 833

An act to add Sections 3086 and 5011 to the Penal Code, relating to crime.

[Approved by Governor September 8, 1976 Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3086 is added to the Penal Code, to read:

3086. Each county board shall not require, when setting terms or discharge dates, an admission of guilt to any crime for which an inmate was committed.

SEC. 2. Section 5011 is added to the Penal Code, to read:

5011. (a) The Department of Corrections shall not require, as a condition for any form of treatment or custody that the department offers, an admission of guilt to any crime for which an inmate was committed to the custody of the department.

(b) The Adult Authority and the California Women's Board of Terms and Parole shall not require, when setting terms or discharge dates, an admission of guilt to any crime for which an inmate was committed.

CHAPTER 834

An act to amend Section 6827 of the Public Resources Code, relating to state lands.

[Approved by Governor September 8, 1976 Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6827 of the Public Resources Code is amended to read:

6827. Leases for the extraction and removal of oil and gas deposits may be made by the commission to the highest qualified bidder, or joint bidders, as provided in this chapter. Such a lease shall include all oil and gas deposits in the leased land and be for a term of 20 years and for so long thereafter as gas or oil is produced in paying quantities from the leased land, or lessee shall be diligently conducting production, drilling, deepening, repairing, redrilling or other necessary lease or well maintenance operations on the leased land. Any lease heretofore issued under this chapter for a term of 20 years, or any renewal or extension thereof, may at any time or times prior to its expiration be extended upon such terms and conditions and for such period of time as the commission deems for the best interests of the state or as the Legislature may provide; provided further, that upon the lessee's timely application therefor the commission may issue a new lease in exchange for any lease issued for a term of 20 years, or any renewal or extension thereof; such new lease shall be issued at the same royalty and upon the same terms and conditions as the lease for which it is exchanged, unless the commission and the lessee shall otherwise agree, except that the term of such exchange lease shall be for a term of five years and for so long thereafter as oil or gas is produced in paying quantities, or lessee shall be conducting production, drilling, deepening, repairing, redrilling or other necessary lease or well maintenance operations on the leased land.

When state lands, including tide and submerged lands, are offered for lease by the commission, the commission shall specify a sliding scale royalty on oil commencing at not less than 16⅔ percent up to a maximum percentage specified in the invitation to bid to be paid on the average production of oil per well per day under such lease, and a royalty of not less than 16⅔ percent as specified in the invitation to bid on dry gas, natural gasoline, and other products extracted and saved from the gas produced under such lease, except gas used for lease use or reinjection into the leased lands. Such royalties shall be paid in kind or as a percentage of the current market price at the well of, and of any premium or bonus paid on, the production removed or sold from the leased land, subject to an annual rental payable in advance of not less than one dollar ($1) for each acre of land subject to the lease at the rental date. Unless the commission decides to reject all bids pursuant to Section 6836, the lease of the parcel or tract which is the subject of the bid shall be awarded to the qualified bidder who undertakes to pay the highest cash bonus in addition to satisfying all other provisions of the lease.

As alternatives to the procedures set forth in the preceding paragraph, the commission, if it so provides in the invitation to bid, may: (1) specify a sliding scale royalty on oil commencing at 16⅔ percent up to a maximum percentage specified in the invitation to bid, to be paid on the average production of oil per well per day

under such lease, and a royalty of not less than 16⅔ percent as specified in the invitation to bid on dry gas, natural gasoline, and other products extracted and saved from the gas produced under such lease, except gas used for lease use or reinjection into the leased lands, and award the lease of the parcel or tract which is the subject of the bid to the qualified bidder who bids the highest factor to be applied to the scale of oil royalties specified in the offer to bid, in addition to satisfying all other provisions of the lease, unless the commission decides to reject all bids pursuant to Section 6836; or (2) specify that bidding shall be on the basis of a flat rate of royalty and award the lease of the parcel or tract which is the subject of the bid to the qualified bidder who undertakes to pay the highest flat rate of royalty, but not less than 16⅔ percent, on oil, to be paid on the production of oil under such lease, and a royalty of not less than 16⅔ percent as specified in the invitation to bid on dry gas, natural gasoline, and other products extracted and saved from the gas produced under such lease, except gas used for lease use or reinjection into the leased lands, unless the commission decides to reject all bids pursuant to Section 6836; or (3) specify, with respect to a proposed lease for the extraction of gas, that bidding shall be on the basis of a flat rate of royalty, and award the lease of the parcel or tract which is the subject of the bid to the qualified bidder who undertakes to pay the highest flat rate of royalty, but not less than 16⅔ percent, on dry gas, natural gasoline, and other products extracted and saved from the gas produced under such lease, except gas used for lease use or reinjection into the leased lands, unless the commission decides to reject all bids pursuant to Section 6836; or (4) as an additional alternative, the commission, if it so provides in the invitation to bid, may award the lease of the parcel or tract which is the subject of the bid to the qualified bidder who undertakes to pay the highest percentage of net profits derived from oil, dry gas, and other products extracted under the lease, in addition to satisfying all other provisions of the lease, unless the commission decides to reject all bids pursuant to Section 6836, and under such alternative, an annual rental of not less than one dollar ($1) for each acre of land subject to the lease shall be payable in advance on the rental date. Under alternatives (1), (2), and (3), the royalties shall be paid in kind or as a percentage of the current market price at the well of the production removed or sold from the leased lands, subject to an annual rental payable in advance of not less than one dollar ($1) for each acre of the land subject to the lease at the rental date.

Except in the case of net profits leases under alternative (4), no allowance may be made for the cost of oil treatment, dehydration, or transportation of royalty oil on leases let subsequent to January 1, 1977.

If, at any time or from time to time, before or after the expiration of the primary term of such lease, the leased lands cease to produce oil or gas, the lease shall; nevertheless, continue in full force and effect if within six months after the cessation of production, or such

longer period of time as the commission may authorize, lessee shall commence and thereafter prosecute with reasonable diligence drilling, deepening, repairing, redrilling or other operations for the purpose of restoring production of oil or gas from the leased lands.

CHAPTER 835

An act to amend Section 454 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 454 of the Public Utilities Code is amended to read:

454. (a) No public utility shall raise any rate or so alter any classification, contract, practice, or rule as to result in any increase in any rate except upon a showing before the commission and a finding by the commission that such increase is justified; provided, however, that upon a showing by a public utility before the commission after a public hearing and a finding by the commission that it has invested in projects designed to generate or produce energy from renewable resources, including, but not limited to, solar energy, geothermal energy, wind sources, hydroelectric energy at existing dams and hydroelectric energy at new dams subject to Resources Agency review of the environmental impacts of the proposed project and determination that the proposed project is environmentally acceptable, or that it has invested in other systems capable of meeting the then applicable environmental pollution standards, in either case the capital costs of which when added to the operating and maintenance costs shall result in a lower cost per unit of energy generated or produced over the life of the system than existing systems utilizing atomic energy, fossil fuels or natural gas, which projects or systems are capable of or, in fact, are, generating energy for commercial purposes, the commission may allow a return on such investment established by adding an increment of from one-half percent (½%) to one percent (1%) to the rate of return permitted on the utility's other investment. The commission may, in its discretion, also allow such higher rate of return on investment by a public utility in experimental projects which it determines after public hearing to be reasonably designed to improve or perfect technology to generate or produce energy from renewable resources, or to more efficiently utilize other resources for the generation of energy in a manner which will decrease the environmental pollution per unit of energy generated or produced and lower the cost per unit of energy to the utility's consumers.

Whenever any electrical, gas, heat, telephone, water, or sewer system corporation files an application to increase any rate of charge, other than an increase reflecting and passing through to customers only increased costs to the corporation, for the services or commodities furnished by it, the corporation shall furnish to its customers affected by the proposed increase notice of its application to the commission for approval of such increase. The corporation may include such notice with the regular bill for charges transmitted to such customers within 45 days if the corporation operates on a 30-day billing cycle, or within 75 days if the corporation operates on a 60-day billing cycle. The notice shall state the amount of the proposed increase expressed in both dollar and percentage terms, a brief statement of the reasons the increase is required or sought, and the mailing address of the commission to which any customer inquiries relative to the proposed increase, including a request by the customer to receive notice of the date, time, and place of any hearing on the application, may be directed.

(b) The commission may establish such rules as it considers reasonable and proper for each class of public utility providing for the nature of the showing required to be made in support of proposed increases, the form and manner of the presentation of such showing, and the procedure to be followed in the consideration thereof. Rules applicable to common carriers may provide for the publication and filing of any proposed increase together with a written showing in support thereof, giving notice of such filing and showing in support thereof to the public, affording an opportunity for protests thereto, and to the consideration of, and action on, such showing and any protests filed thereto by the commission, with or without hearing; provided that the proposed increase shall not become effective until it has been approved by the commission.

(c) The commission shall permit individual residential public utility customers affected by a proposed rate increase to testify at any hearing on such proposed increase, except that the presiding officer need not allow repetitive or irrelevant testimony and may conduct the hearing in an efficient manner.

CHAPTER 836

An act to amend Sections 33704, 35221, and 35251 of, and to repeal Section 35221.5 of, of the Food and Agricultural Code, relating to ice cream, and making an appropriation therefor.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 33704 of the Food and Agriculture Code, as amended by Chapter 240 of the Statutes of 1976, is further amended to read:

33704. The provisions of Sections 33701, 33731, 33732, 33733, 33734, 33767, 33768, 33770, 33771, 33776, and 34593 do not apply to the manufacture of a milk drink if such product is manufactured from milk drink mix or sterilized milk drink mix, or to ice cream which is manufactured from ice cream mix, or to ice milk which is manufactured from ice milk mix, or to frozen yogurt dessert, which is manufactured from frozen yogurt mix, or to low-fat frozen yogurt dessert, which is manufactured from low-fat frozen yogurt mix, if such products are manufactured in a freezing device from which such products are served directly in a semifrozen state, without packaging of any type, for consumption on the premises in or from rooms where food is served to the public.

All such mixes so used shall be secured from a licensed manufacturer of milk products. Frozen yogurt mix and low-fat frozen yogurt mix shall be manufactured into a semifrozen state without adulteration and freezing device salvage shall not be reused as a mix.

The director may by agreement with any approved milk inspection service, authorize such service to inspect and enforce requirements of this code applicable to the establishments covered by this section. Any such agreement shall provide that the approved inspection service shall collect the applicable license fee for such establishments as provided in Section 35221. The fees so collected shall be retained by the approved service to cover its cost of enforcement, provided that 25 percent of the fees collected shall be remitted to the director to cover his cost of administration.

SEC. 2. Section 35221 of the Food and Agriculture Code, as amended by Chapter 240 of the Statutes of 1976, is further amended to read:

35221. Every person that is engaged in the business of dealing in, receiving, manufacturing, freezing, or processing ice cream, ice milk, sherbet, or any similar frozen product, or that is engaged in the business of manufacturing, freezing, or processing imitation ice cream, imitation ice milk, or any similar frozen product, shall pay the following fees:

(a) A license fee of forty dollars ($40), for the calendar year for which such license is issued.

(b) A fee for the renewal of a license of forty dollars ($40), plus three dollars ($3) for each additional 10,000 gallons or fraction of 10,000 gallons over and above 20,000 gallons which were manufactured during the preceding year, ending the 31st day of December.

(c) For a semifrozen (soft-serve) milk products plant license issued to persons making application under the provisions of Section 33704, seventy-five dollars ($75) for the calendar year for which the semifrozen (soft-serve) milk products plant license is issued. The fee

for the renewal of such a license is seventy-five dollars ($75).

SEC. 3. Section 35221.5 of the Food and Agriculture Code, as added by Chapter 240 of the Statutes of 1976, is repealed.

SEC. 4. Section 35251 of the Food and Agriculture Code, as amended by Chapter 240 of the Statutes of 1976, is further amended to read:

35251. The director, at least once each month, shall report to the State Controller the total amount of any money which is collected under Section 35221. He shall, at the same time, pay into the State Treasury the entire amount of such receipts which shall be credited to the Department of Agriculture Fund and expended as provided in Section 32704.

CHAPTER 837

An act to repeal Section 3370 of the Civil Code, relating to unfair competition.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3370 of the Civil Code is repealed.

CHAPTER 838

An act to amend Section 1 of Chapter 957 of the Statutes of 1973, and to amend Section 10.08 of Chapter 320 of the Statutes of 1976, relating to emergency medical care delivery, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of Chapter 957 of the Statutes of 1973 is amended to read:

Section 1. The State Department of Health is hereby authorized to transfer to the Northern California Emergency Medical Care Council any state funds appropriated by the Legislature for such transfer, including, but not limited to, funds appropriated for transfer by the state department to the Northern California Emergency Care Council by Item 243.1 of Chapter 129 of the Statutes of 1973–74, for state support of a pilot project for emergency

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medical care delivery system in the Counties of Butte, Glenn, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama, and Trinity.

The transfer of any funds pursuant to this section shall comply with all requirements of this section.

The appropriation made by Item 243.1 of Chapter 129 of the Statutes of 1973–74, and by any other source, shall be available for expenditure until June 30, 1978, without regard to fiscal year. The department shall contract with the council to conduct a pilot project to plan, organize, implement, and maintain an emergency medical care delivery system for the emergency medical service area, as determined by the department and the council, within the nine designated counties. The pilot project shall terminate June 30, 1978.

Until June 30, 1977, the council shall make a quarterly report to the department upon the project's progress. The department may transfer appropriated funds to the council upon satisfactory progress of the project. On and after June 30, 1977, the department and council shall report annually to the Legislature by June 30 of each year upon the progress and effectiveness of the project and shall file a final report by June 30, 1978.

SEC. 2. Section 10.08 of Chapter 320 of the Statutes of 1976 is amended to read:

Sec. 10.08. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1977.

General Fund:

Department of Health:

(a) Chapter 1217, Statutes of 1975, subdivision (a), Section 2—Perinatal Care

(b) Item 271, Budget Act of 1975, subitem (b)—Sickle cell anemia program, up to $150,000

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act will extend the termination date of an emergency medical care delivery system pilot project, which project would otherwise terminate on September 30, 1976, and will clarify provisions of law regarding the funding of such project. In order that it may achieve its intended result, it is necessary that this act take effect immediately.

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CHAPTER 839

An act to amend Sections 3051 and 3097 of the Civil Code, relating to liens.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3051 of the Civil Code is amended to read:

3051. Every person who, while lawfully in possession of an article of personal property, renders any service to the owner thereof, by labor or skill, employed for the protection, improvement, safekeeping, or carriage thereof, has a special lien thereon, dependent on possession, for the compensation, if any, which is due to him from the owner for such service; a person who makes, alters, or repairs any article of personal property, at the request of the owner, or legal possessor of the property, has a lien on the same for his reasonable charges for the balance due for such work done and materials furnished, and may retain possession of the same until the charges are paid; and livery or boarding or feed stable or feed yard proprietors, and persons pasturing horses or stock, have a lien, dependent on possession, for their compensation in caring for, boarding, feeding, or pasturing such horses or stock; and foundry proprietors and persons conducting a foundry business, have a lien, dependent on possession, upon all patterns in their hands belonging to a customer, for the balance due them from such customers for foundry work; and plastic fabricators and persons conducting a plastic fabricating business, have a lien, dependent on possession, upon all patterns and molds in their hands belonging to a customer, for the balance due them from such customer for plastic fabrication work; and laundry proprietors and persons conducting a laundry business, and drycleaning establishment proprietors and persons conducting a drycleaning establishment, have a general lien, dependent on possession, upon all personal property in their hands belonging to a customer, for the balance due them from such customer for laundry work, and for the balance due them from such customers for drycleaning work, but nothing in this section shall be construed to confer a lien in favor of a wholesale drycleaner on materials received from a drycleaning establishment proprietor or a person conducting a drycleaning establishment; and veterinary proprietors and veterinary surgeons shall have a lien dependent on possession, for their compensation in caring for, boarding, feeding, and medical treatment of animals; and keepers of garages for automobiles shall have a lien, dependent on possession for their compensation in caring for and safekeeping, and for making repairs and performing any labor upon or furnishing supplies or materials for such automobiles; and keepers of trailer parks shall have a lien,

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dependent on possession, for their compensation for rental of parking space for trailers, and for such other services as are furnished to the owners or legal possessors of trailers at their request; provided, however, that where the possession of, or lien upon, any automobile or trailer held under a claim of lien hereunder is lost by reason of fraud, trick or device, the repossession of said automobile or trailer by said garage keeper or trailer park keeper shall revive the lien so lost; provided, further, that any lien thus revived shall be subordinate to any sale, lien, encumbrance, right, title or interest in such automobile or trailer acquired or exercised in good faith and for value by any person between the time of loss of possession and the time of repossession.

This section shall have no application to any vessel as defined in Section 21 of the Harbors and Navigation Code.

SEC. 2. Section 3097 of the Civil Code is amended to read:

3097. "Preliminary 20-day notice (private work)" means a written notice from a claimant that is given prior to the recording of a mechanic's lien and prior to the filing of a stop notice, and is required to be given under the following circumstances:

(a) Except one under direct contract with the owner or one performing actual labor for wages, or an express trust fund described in Section 3111, every person who furnishes labor, service, equipment, or material for which a lien otherwise can be claimed under this title, or for which a notice to withhold can otherwise be given under this title, must, as a necessary prerequisite to the validity of any claim of lien, and of a notice to withhold, cause to be given to the owner or reputed owner, to the original contractor, or reputed contractor, and to the construction lender, if any, or to the reputed construction lender, if any, a written preliminary notice as prescribed by this section.

(b) Except the contractor, or one performing actual labor for wages, or an express trust fund described in Section 3111, all persons who have a direct contract with the owner and who furnish labor, service, equipment, or material for which a lien otherwise can be claimed under this title, or for which a notice to withhold can otherwise be given under this title, must, as a necessary prerequisite to the validity of any claim of lien, and of a notice to withhold, cause to be given to the construction lender, if any, or to the reputed construction lender, if any, a written preliminary notice as prescribed by this section.

(c) The preliminary notice referred to in subdivisions (a) and (b) shall be given not later than 20 days after the claimant has first furnished labor, service, equipment, or materials to the jobsite, and shall contain the following information:

(1) A general description of the labor, service, equipment, or materials furnished, or to be furnished, and if there is a construction lender, he shall be furnished with an estimate of the total price thereof in addition to the foregoing.

(2) The name and address of such person furnishing such labor,

service, equipment, or materials.

(3) The name of the person who contracted for purchase of such labor, service, equipment, or materials.

(4) A description of the jobsite sufficient for identification.

(5) A statement that if bills are not paid in full for labor, service, equipment, or material furnished, or to be furnished, the improved property may be subject to mechanic's liens.

(6) If such notice is given by a subcontractor who is required pursuant to a collective-bargaining agreement to pay supplemental fringe benefits into an express trust fund described in Section 3111, such notice shall also contain the identity and address of such trust fund or funds.

If an invoice for such materials contains the information required by this section, a copy of such invoice, transmitted in the manner prescribed by this section shall be sufficient notice.

A certificated architect, registered engineer, or licensed land surveyor who has furnished services for the design of the work of improvement and who gives a preliminary notice as provided in this section not later than 20 days after the work of improvement has commenced shall be deemed to have complied with subdivisions (a) and (b) with respect to architectural, engineering, or surveying services furnished, or to be furnished.

(d) If labor, service, equipment, or materials have been furnished to a jobsite by a person who elected not to give a preliminary notice as provided in subdivision (a) or (b), such person shall not be precluded from giving a preliminary notice not later than 20 days after furnishing other labor, service, equipment, or materials to the same jobsite. Such person shall, however, be entitled to claim a lien and a notice to withhold only for such labor, service, equipment, or material furnished within 20 days prior to the service of such notice, and at any time thereafter.

(e) Any agreement made or entered into by an owner, whereby the owner agrees to waive the rights or privileges conferred upon him by this section shall be void and of no effect.

(f) The notice required under this section may be served as follows:

(1) If the person to be notified resides in this state, by delivering the notice personally, or by leaving it at his address of residence or place of business with some person in charge, or by first-class registered or certified mail, postage prepaid, addressed to the person to whom notice is to be given at his residence or place of business address or at the address shown by the building permit on file with the authority issuing a building permit for the work, or at an address recorded pursuant to subdivision (j) of this section.

(2) If the person to be notified does not reside in this state, by any method enumerated in paragraph (1) of this subdivision. If such person cannot be served by any of such methods, then notice may be given by first-class certified or registered mail, addressed to the construction lender or to the original contractor.

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(3) When service is made by first-class certified or registered mail, service is complete at the time of the deposit of such registered or certified mail.

(g) A person required by this section to give notice to the owner and to an original contractor, and to a person to whom a notice to withhold may be given, need give only one such notice to the owner, and to the original contractor and to the person to whom a notice to withhold may be given with respect to all materials, service, labor, or equipment he furnishes for a work of improvement, which means the entire structure or scheme of improvements as a whole, unless the same is furnished under contracts with more than one subcontractor, in which event, the notice requirements must be met with respect to materials, services, labor, or equipment furnished to each such contractor.

If a notice contains a general description required by subdivision (a) or (b) of the materials, services, labor, or equipment furnished to the date of notice, it is not defective because, after such date, the person giving notice furnishes materials, services, labor, or equipment not within the scope of such general description.

(h) Where the contract price to be paid to any subcontractor on a particular work of improvement exceeds four hundred dollars ($400), the failure of that contractor, licensed under Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, to give the notice provided for in this section, constitutes grounds for disciplinary action by the Registrar of Contractors.

Where such notice is required to contain the information set forth in paragraph (6) of subdivision (c), a failure to give such notice, including such information, that results in the filing of a lien or the delivery of a stop notice by the express trust fund to which such obligation is owing constitutes grounds for disciplinary action by the Registrar of Contractors against the subcontractor if the amount due such trust fund is not paid.

(i) Every city, county, city and county, or other governmental authority issuing building permits shall, in its application form for a building permit, provide space and a designation for the applicant to enter the name, branch designation, if any, and address of the construction lender and shall keep the information on file open for public inspection during the regular business hours of the authority.

If there is no known construction lender, that fact shall be noted in such designated space. Any failure to indicate the name and address of the construction lender on such application, however, shall not relieve any person from the obligation to give to the construction lender the notice required by this section.

(j) A mortgage, deed of trust, or other instrument securing a loan, any of the proceeds of which may be used for the purpose of constructing improvements on real property, shall bear the designation "Construction Trust Deed" prominently on its face and shall state all of the following: (1) the name and address of the lender,

and the name and address of the owner of the real property described in the instrument, and (2) a legal description of the real property which secures the loan and, if known, the street address of the property. The failure to be so designated or to state any of the information required by this subdivision shall not affect the validity of any such mortgage, deed of trust, or other instrument.

Failure to provide such information on such an instrument when recorded shall not relieve persons required to give preliminary notice under this section from such duty.

The county recorder of the county in which such instrument is recorded shall indicate in the general index of the official records of the county that such instrument secures a construction loan.

(k) Every contractor and subcontractor who is required pursuant to a collective-bargaining agreement to pay supplementary fringe benefits into an express trust fund described in Section 3111, and who has failed to do so shall cause to be given to such fund and to the construction lender, if any, or to the reputed construction lender, if any, not later than five days following the date such payment was due to such fund, a written notice containing:

(1) The name of the owner and the contractor.

(2) A description of the jobsite sufficient for identification.

(3) The identity and address of the express trust fund.

(4) The total number of straight time and overtime hours on each such job, payment for which the contractor or subcontractor is delinquent to the express trust.

(5) The amount then past due and owing.

Failure to give such notice shall constitute grounds for disciplinary action by the Registrar of Contractors.

(*l*) Every written contract entered into between a property owner and an original contractor shall provide space for the owner to enter his name and address of residence; and place of business if any. The original contractor shall make available the name and address of residence of the owner to any person seeking to serve notice required by this section.

SEC. 3. Section 3097, as amended by Chapter 396 of the Statutes of 1976, is amended to read:

3097. "Preliminary 20-day notice (private work)" means a written notice from a claimant that is given prior to the recording of a mechanic's lien and prior to the filing of a stop notice, and is required to be given under the following circumstances:

(a) Except one under direct contract with the owner or one performing actual labor for wages, or an express trust fund described in Section 3111, every person who furnishes labor, service, equipment, or material for which a lien otherwise can be claimed under this title, or for which a notice to withhold can otherwise be given under this title, must, as a necessary prerequisite to the validity of any claim of lien, and of a notice to withhold, cause to be given to the owner or reputed owner, to the original contractor, or reputed contractor, and to the construction lender, if any, or to the reputed

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construction lender, if any, a written preliminary notice as prescribed by this section.

(b) Except the contractor, or one performing actual labor for wages, or an express trust fund described in Section 3111, all persons who have a direct contract with the owner and who furnish labor, service, equipment, or material for which a lien otherwise can be claimed under this title, or for which a notice to withhold can otherwise be given under this title, must, as a necessary prerequisite to the validity of any claim of lien, and of a notice to withhold, cause to be given to the construction lender, if any, or to the reputed construction lender, if any, a written preliminary notice as prescribed by this section.

(c) The preliminary notice referred to in subdivisions (a) and (b) shall be given not later than 20 days after the claimant has first furnished labor, service, equipment, or materials to the jobsite, and shall contain the following information:

(1) A general description of the labor, service, equipment, or materials furnished, or to be furnished, and if there is a construction lender, he shall be furnished with an estimate of the total price thereof in addition to the foregoing.

(2) The name and address of such person furnishing such labor, service, equipment, or materials.

(3) The name of the person who contracted for purchase of such labor, service, equipment, or materials.

(4) A description of the jobsite sufficient for identification.

(5) The following statement in boldface type:

NOTICE TO PROPERTY OWNER

If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceedings, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor or (2) any other method or device which is appropriate under the circumstances.

(6) If such notice is given by a subcontractor who is required pursuant to a collective-bargaining agreement to pay supplemental fringe benefits into an express trust fund described in Section 3111, such notice shall also contain the identity and address of such trust fund or funds.

If an invoice for such materials contains the information required by this section, a copy of such invoice, transmitted in the manner prescribed by this section shall be sufficient notice.

A certificated architect, registered engineer, or licensed land surveyor who has furnished services for the design of the work of

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improvement and who gives a preliminary notice as provided in this section not later than 20 days after the work of improvement has commenced shall be deemed to have complied with subdivisions (a) and (b) with respect to architectural, engineering, or surveying services furnished, or to be furnished.

(d) If labor, service, equipment, or materials have been furnished to a jobsite by a person who elected not to give a preliminary notice as provided in subdivision (a) or (b), such person shall not be precluded from giving a preliminary notice not later than 20 days after furnishing other labor, service, equipment, or materials to the same jobsite. Such person shall, however, be entitled to claim a lien and a notice to withhold only for such labor, service, equipment, or material furnished within 20 days prior to the service of such notice, and at any time thereafter.

(e) Any agreement made or entered into by an owner, whereby the owner agrees to waive the rights or privileges conferred upon him by this section shall be void and of no effect.

(f) The notice required under this section may be served as follows:

(1) If the person to be notified resides in this state, by delivering the notice personally, or by leaving it at his address of residence or place of business with some person in charge, or by first-class registered or certified mail, postage prepaid, addressed to the person to whom notice is to be given at his residence or place of business address or at the address shown by the building permit on file with the authority issuing a building permit for the work, or at an address recorded pursuant to subdivision (j) of this section.

(2) If the person to be notified does not reside in this state, by any method enumerated in paragraph (1) of this subdivision. If such person cannot be served by any of such methods, then notice may be given by first-class certified or registered mail, addressed to the construction lender or to the original contractor.

(3) When service is made by first-class certified or registered mail, service is complete at the time of the deposit of such registered or certified mail.

(g) A person required by this section to give notice to the owner and to an original contractor, and to a person to whom a notice to withhold may be given, need give only one such notice to the owner, and to the original contractor and to the person to whom a notice to withhold may be given with respect to all materials, service, labor, or equipment he furnishes for a work of improvement, which means the entire structure or scheme of improvements as a whole, unless the same is furnished under contracts with more than one subcontractor, in which event, the notice requirements must be met with respect to materials, services, labor, or equipment furnished to each such contractor.

If a notice contains a general description required by subdivision (a) or (b) of the materials, services, labor, or equipment furnished to the date of notice, it is not defective because, after such date, the

person giving notice furnishes materials, services, labor, or equipment not within the scope of such general description.

(h) Where the contract price to be paid to any subcontractor on a particular work of improvement exceeds four hundred dollars ($400), the failure of that contractor, licensed under Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, to give the notice provided for in this section, constitutes grounds for disciplinary action by the Registrar of Contractors.

Where such notice is required to contain the information set forth in paragraph (6) of subdivision (c), a failure to give such notice, including such information, that results in the filing of a lien or the delivery of a stop notice by the express trust fund to which such obligation is owing constitutes grounds for disciplinary action by the Registrar of Contractors against the subcontractor if the amount due such trust fund is not paid.

(i) Every city, county, city and county, or other governmental authority issuing building permits shall, in its application form for a building permit, provide space and a designation for the applicant to enter the name, branch designation, if any, and address of the construction lender and shall keep the information on file open for public inspection during the regular business hours of the authority.

If there is no known construction lender, that fact shall be noted in such designated space. Any failure to indicate the name and address of the construction lender on such application, however, shall not relieve any person from the obligation to give to the construction lender the notice required by this section.

(j) A mortgage, deed of trust, or other instrument securing a loan, any of the proceeds of which may be used for the purpose of constructing improvements on real property, shall bear the designation "Construction Trust Deed" prominently on its face and shall state all of the following: (1) the name and address of the lender, and the name and address of the owner of the real property described in the instrument, and (2) a legal description of the real property which secures the loan and, if known, the street address of the property. The failure to be so designated or to state any of the information required by this subdivision shall not affect the validity of any such mortgage, deed of trust, or other instrument.

Failure to provide such information on such an instrument when recorded shall not relieve persons required to give preliminary notice under this section from such duty.

The county recorder of the county in which such instrument is recorded shall indicate in the general index of the official records of the county that such instrument secures a construction loan.

(k) Every contractor and subcontractor who is required pursuant to a collective-bargaining agreement to pay supplementary fringe benefits into an express trust fund described in Section 3111, and who has failed to do so shall cause to be given to such fund and to the construction lender, if any, or to the reputed construction lender, if

any, not later than five days following the date such payment was due to such fund, a written notice containing:

(1) The name of the owner and the contractor.

(2) A description of the jobsite sufficient for identification.

(3) The identity and address of the express trust fund.

(4) The total number of straight-time and overtime hours on each such job, payment for which the contractor or subcontractor is delinquent to the express trust.

(5) The amount then past due and owing.

Failure to give such notice shall constitute grounds for disciplinary action by the Registrar of Contractors.

(*l*) Every written contract entered into between a property owner and an original contractor shall provide space for the owner to enter his name and address of residence; and place of business if any. The original contractor shall make available the name and address of residence of the owner to any person seeking to serve notice required by this section.

SEC. 4. Section 2 of this act shall remain in effect only until January 1, 1978, and shall have no force or effect on or after such date.

SEC. 5. Section 3 of this act shall become operative on January 1, 1978.

CHAPTER 840

An act to repeal Division 3 (commencing with Section 28000) of Title 4 of the Corporations Code, relating to retirement systems.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Division 3 (commencing with Section 28000) of Title 4 of the Corporations Code is repealed.

CHAPTER 841

An act to amend Section 266 of the Health and Safety Code, and to amend Section 14132 of the Welfare and Institutions Code, relating to crippled children's services.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

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SECTION 1. Section 266 of the Health and Safety Code is amended to read:

266. For those counties with a total appropriation of county and state funds not exceeding two hundred fifty thousand dollars ($250,000) and upon the expenditure of county funds equivalent to a county appropriation of two-tenths mill ($0.0002), the Department of Benefit Payments may from state-appropriated funds pay for services for cases deemed by the State Department of Health to represent emergencies or cases where medical care cannot be delayed without great harm to the child.

SEC. 2. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) Inpatient hospital services, including physician and podiatric services, is covered subject to utilization controls.

(c) Skilled nursing facility services, including podiatry and physician's services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Physical therapy, occupational therapy, speech therapy and audiology services for patients in skilled nursing facilities are covered subject to utilization controls.

(d) Purchase of prescribed drugs is covered subject to the Medi-Cal Drug Formulary and utilization controls.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist's services when provided as part of an outpatient medical procedure, nurse anesthetists services when rendered by an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered to the extent prescribed.

(g) Blood and blood derivatives are covered.

(h) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions which preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities

administered by the department's crippled children services program.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls.

(*l*) Hearing aids are covered, subject to utilization controls.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls.

(n) Intermediate care facility services, including physician services, and prescribed drugs as described in subdivision (d) are covered, subject to utilization controls. Physical therapy, occupational therapy, speech therapy and audiology services for patients in intermediate care facilities are covered subject to utilization controls.

(o) Family planning services are covered, subject to utilization controls.

CHAPTER 842

An act to amend Section 11004 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11004 of the Welfare and Institutions Code is amended to read:

11004. The provisions of this code relative to public social services for which state grant-in-aid are made to the counties shall be administered fairly to the end that all persons who are eligible and apply for such public social services shall receive the assistance to which they are entitled promptly, with due consideration for the needs of applicants and the safeguarding of public funds.

(a) Any applicant for, or recipient or payee of, such public social services shall be informed as to the provisions of eligibility and his responsibility for reporting facts material to a correct determination of eligibility and grant.

(b) Any applicant for, or recipient or payee of, such public social services shall be responsible for reporting accurately and completely within his competence those facts required of him pursuant to subdivision (a) and to report promptly any changes in those facts.

(c) Any person who makes full and complete disclosure of those facts as explained to him pursuant to subdivision (a) is entitled to rely

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upon the award of public social services as being accurate, and that the warrant he receives correctly reflects the award made, except that the county providing the social services shall be allowed a period of six months following the month of payment, or six months following the hearing provided in subdivision (e), within which to adjust any errors or changes in amount of grant resulting from changes in income or need which occur too late to be reflected in the grant for the current month. Whenever possible, adjustments or overpayments shall be prorated evenly over the adjustment period.

(d) If any overpayment which results because of the willful failure to report facts in accordance with subdivision (b) or because of any willfully fraudulent device, the county providing the social services shall be allowed a period of one year following the month of the discovery of the overpayment, or one year following the hearing provided in subdivision (e), to adjust current grants to recover the overpayment. Such adjustment shall be permitted concurrently with any suit for restitution, and recovery of overpayment by adjustment shall reduce by the amount of such recovery the extent of liability for restitution.

(e) Current grants may be reduced because of prior overpayments only if the recipient has income or resources available in the amount by which the county proposes to reduce payment; except that where there is evidence which clearly establishes that a recipient willfully withheld information about his income or resources, such income or resources may be considered in the determination of need to reduce the amount of the grant in current or future periods. Prior to effecting any reduction of current grants to recover prior overpayments, the recipient shall be advised of the proposed reduction and of his entitlement to a hearing on the propriety of the reduction. In no event shall the grant to a needy child be reduced unless the parents or other responsible persons have sufficient available resources or income to meet the current needs of the needy child according to the department standard during the period of reduction.

(f) If it is found that a recipient or a family was possessed of property in excess of the amount permitted by law, and it cannot be established that the recipient or family received such public social service in bad faith, without honestly believing eligibility was properly established, the amount collectible shall be limited to an amount equal to the market value of the excess property or the value of the public social service granted during the period the excess property was held, whichever is the lesser.

(g) When an underpayment or denial of public social service occurs because of an administrative error or inadvertence on the part of a county, and as a result the applicant or recipient does not receive the amount to which he is entitled, the county shall provide public social services equal to the full amount of the underpayment which occurred during the period of one year immediately preceding the date the error or inadvertence is discovered.

(h) This subdivision shall be applicable only to applicants, recipients and payees under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of this code. Any suits to recover overpayments described in subdivision (d) shall be brought on behalf of the county by the county counsel unless the board of supervisors delegates such duty to the district attorney by ordinance or resolution.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because duties, obligation, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 843

An act to amend Sections 4456.1, 11713, and 26708 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 4456.1 of the Vehicle Code is amended to read:

4456.1. (a) Any vehicle dealer who does not comply with the provisions of paragraph (2) or (3) of subdivision (c) of Section 4456 shall pay to the department an administrative service fee of five dollars ($5) for each such instance of noncompliance.

(b) Each instance of noncompliance with any of the requirements of paragraph (1) or (3) of subdivision (c) of Section 4456 shall constitute, in addition to any obligation to pay an administrative service fee, a separate cause for discipline pursuant to Section 11705.

(c) Any vehicle dealer who does not comply with the provisions of paragraph (4) of subdivision (c) of Section 4456 within 20 days, inclusive, from the date of sale shall pay to the department an administrative service fee to be assessed as follows:

(1) For compliance after 20 days but within 30 days, inclusive, from the date of sale—five dollars ($5).

(2) For compliance after 30 days but within 40 days, inclusive, from the date of sale—ten dollars ($10).

(3) For noncompliance for more than 40 days from the date of sale—fifteen dollars ($15).

(d) Each instance of noncompliance with the requirements of paragraph (4) of subdivision (c) of Section 4456 within 40 days, inclusive, from the date of sale shall constitute, in addition to any obligation to pay an administrative service fee, a separate cause for

discipline pursuant to Section 11705. If, however, the vehicle dealer complies with the requirements of paragraph (4) of subdivision (c) of Section 4456 with 40 days, inclusive, of the date of sale, and pays the administrative fee due, there shall be no such separate cause for discipline pursuant to Section 11705.

(e) Each instance of nonpayment within 30 days, inclusive, after written demand from the department, of any administrative service fee due pursuant to the provisions of this section shall constitute a separate cause for discipline pursuant to Section 11705.

SEC. 2. Section 11713 of the Vehicle Code is amended to read:

11713. It shall be unlawful and a violation of this code for the holder of any license issued under this article:

(a) To make or disseminate or cause to be made or disseminated before the public in this state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, any statement which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading; or to so make or disseminate or cause to be so disseminated any such statement as part of a plan or scheme with the intent not to sell any vehicle or service so advertised at the price stated therein, or as so advertised.

(b) To advertise or offer for sale or exchange in any manner, any vehicle not actually for sale at the premises of such dealer or available to said dealer from the manufacturer or distributor of such vehicle at the time of the advertisement or offer; provided however, that this subdivision does not apply to advertising or offering for sale or exchange any used mobilehome, as defined by Section 18008 of the Health and Safety Code, or used commercial coach, as defined by Section 18012 of the Health and Safety Code, other than a recreational vehicle, as defined by Section 18010.5 of the Health and Safety Code, where such advertising or offering for sale is not contrary to any terms of a contract between the seller of the mobilehome or commercial coach and the owner of the mobilehome park, and which mobilehome or commercial coach is either in place on a lot rented or leased for human habitation within an established mobilehome park, as defined in Section 18214 of the Health and Safety Code, or is otherwise located, pursuant to a local zoning ordinance or permit, on a lot where its presence has been authorized or its continued presence and such use would be authorized, for a total and uninterrupted period of at least one year.

(c) To fail within 48 hours in writing to withdraw any advertisement of a vehicle that has been sold or withdrawn from sale.

(d) To advertise or represent a vehicle as a new vehicle if such vehicle falls within the purview of Section 665 of this code.

(e) To engage in the business for which licensee is licensed without having in force and effect a good and sufficient bond with corporate surety as hereinbefore provided.

(f) For any licensed dealer to engage in the business for which

such dealer is licensed without at all times maintaining an established place of business as required by this code.

(g) To include as an added cost to the selling price of a vehicle, an amount for licensing or transfer of title of the vehicle, which amount is not due to the state unless, prior to the sale, such amount has been paid by a dealer to the state in order to avoid penalties that would have accrued because of late payment of such fees. However, a dealer may collect, from the second purchaser of a vehicle, a prorated fee based upon the number of months remaining in the registration year for that vehicle, if the vehicle had been previously sold by the dealer and the sale was subsequently rescinded and all the fees that were paid, as required by this code and Chapter 2 (commencing with Section 10751) of Division 2 of the Revenue and Taxation Code, were returned to the first purchaser of the vehicle.

(h) To employ any person as a salesman who has not been licensed pursuant to Article 2 (commencing with Section 11800) of this chapter, and whose license is not displayed on the premises of the dealer as provided in Section 11804.

(i) To deliver, following sale, a vehicle for operation on California highways, if such vehicle does not meet all of the equipment requirements of Division 12 (commencing with Section 24000) of this code.

(j) To use or permit the use of the special plates assigned to him for any purpose other than permitted by Section 11715.

(k) To advertise or otherwise represent, or knowingly to allow to be advertised or represented on his behalf or at his place of business, that no downpayment is required in connection with the sale of a vehicle when a downpayment is in fact required and the buyer is advised or induced to finance such downpayment by a loan in addition to any other loan financing the remainder of the purchase price of the vehicle.

(*l*) To participate in the sale of a motor vehicle reported to the Department of Motor Vehicles under the provisions of Section 5900 of this code without making the return and payment of any sales tax due and required by Section 6451 of the Revenue and Taxation Code.

(m) To permit the use of his dealer's license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of vehicles required to be registered under this code, or to permit the use of his dealer's license, supplies, or books to operate a branch location to be used by any other person, if, in either situation, the licensee has no financial or equitable interest or investment in the vehicles sold by, or the business of, or branch location used by, such person, or has no such interest or investment other than commissions, compensations, fees, or any other thing of value received for the use of the dealer's license, supplies, or books to engage in the sale of vehicles.

(n) To violate any of the provisions of Article 10 (commencing with Section 28050) of Chapter 5 of Division 12 of this code.

(o) To fail to deliver or honor the terms and conditions of any

warranty as set forth in Chapter 3 (commencing with Section 1797) of Title 1.7 of Part 4 of Division 3 of the Civil Code.

(p) To violate any of the terms or provisions of Chapter 6 (commencing with Section 11950) of Division 5.

(q) Has violated any of the provisions of Part 2 (commencing with Section 18000) of Division 13 of, or Section 18613 of, the Health and Safety Code or any rules and regulations issued pursuant thereto.

SEC. 3. Section 26708 of the Vehicle Code is amended to read:

26708. (a) No person shall drive any motor vehicle with any object or material placed, displayed, installed, affixed, or applied upon the windshield, or side or rear windows, or with any object or material so placed, displayed, installed, affixed, or applied in or upon the vehicle as to obstruct or reduce the driver's clear view through the windshield or side windows.

(b) This section shall not apply to:

(1) Rearview mirrors.

(2) Adjustable nontransparent sunvisors which are mounted forward of the side windows and are not attached to the glass.

(3) Signs, stickers, or other materials which are displayed in a seven-inch square in the lower corner of the windshield farthest removed from the driver.

(4) Side windows which are to the rear of the driver.

(5) Direction, destination, or termini signs upon a passenger common carrier motor vehicle, providing such signs do not interfere with the driver's clear view of approaching traffic.

(6) Rear window wiper motor.

(7) Rear trunk lid handle or hinges.

(8) The rear window or windows, when the motor vehicle is equipped with outside mirrors on both the left- and right-hand sides of the vehicle that are so located as to reflect to the driver a view of the highway through each mirror for a distance of at least 200 feet to the rear of the vehicle.

CHAPTER 844

An act to amend Sections 233 and 465 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 233 of the Vehicle Code is amended to read:

233. A "bus" is any motor vehicle, other than a motor truck or truck tractor, designed for carrying more than 10 persons including the driver, and used or maintained for the transportation of

passengers, except that any motor vehicle, other than a motortruck or truck tractor, designed for carrying not more than 12 persons, including the driver, which is maintained and used in the nonprofit transportation of adults to and from a work location as part of a carpool program or when transporting only members of the household of the owner thereof, shall not be considered to be a bus for the purposes of this section.

SEC. 2. Section 465 of the Vehicle Code is amended to read:

465. A "passenger vehicle" is any motor vehicle, other than a motor truck or truck tractor, designed for carrying not more than 10 persons including the driver, and used or maintained for the transportation of persons, except that any motor vehicle, other than a motortruck or truck tractor, designed for carrying not more than 12 persons, including the driver, which is maintained and used in the nonprofit transportation of adults to and from a work location as part of a carpool program or when transporting only members of the household of the owner thereof shall be considered to be a passenger vehicle for the purposes of this section. The term "passenger vehicle" shall include a housecar.

CHAPTER 845

An act to amend Section 1734 of the Insurance Code, relating to insurance.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1734 of the Insurance Code is amended to read:

1734. This section applies to any person licensed, whether under a permanent license, restricted license, temporary license, or certificate of convenience, to act in any of the capacities specified in Section 1733. If fiduciary funds, as defined in Section 1733, are received by such person, he shall either:

(a) Remit premiums, less commissions, and return premiums received or held by him to the insurer or the person entitled thereto, or

(b) Maintain such fiduciary funds on California business at all times in a trustee bank account or depository in California separate from any other account or depository, in an amount at least equal to the premiums and return premiums, net of commissions, received by him and unpaid to the persons entitled thereto or, at their direction or pursuant to written contract, for the account of such persons. However, such person may commingle with such fiduciary funds in such account or depository such additional funds as he may deem

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prudent for the purpose of advancing premiums, establishing reserves for the paying of return commissions or for such contingencies as may arise in his business of receiving and transmitting premium or return premium funds.

CHAPTER 846

An act to amend Section 19008 of the Welfare and Institutions Code, relating to welfare.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 19008 of the Welfare and Institutions Code is amended to read:

19008. The department may utilize funds made available from appropriations by Congress, by gifts, grants, or reimbursements from private or public sources or by state appropriations, or both, or by transfer of funds from other state departments subject to usual budgetary controls for the purpose of establishing and operating halfway houses, resident centers, other rehabilitation facilities, or of providing vocational rehabilitation services including related administrative costs, or of cooperating with other public or private agencies for these purposes.

CHAPTER 847

An act to amend Section 24422.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 8, 1976 Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 24422.5 of the Revenue and Taxation Code is amended to read:

24422.5. (a) Except as provided in subdivision (b), any amount (allowable as a deduction without regard to this section), which is attributable to the planting, cultivation, maintenance, or development of any citrus or almond grove or other fruit or nut grove (or part thereof), and which is incurred before the close of the fourth income year beginning with the income year in which the trees were planted, shall be charged to capital account. For purposes of the preceding sentence, the portion of a citrus or almond grove

or other fruit or nut grove planted in one income year shall be treated separately from the portion of such grove planted in another income year.

(b) Subdivision (a) shall not apply to amounts allowable as deductions (without regard to this section), and attributable to a citrus or almond grove or other fruit or nut grove (or part thereof) which was:

(1) Replanted after having been lost or damaged (while in the hands of the taxpayer), by reason of freeze, disease, drought, pests or casualty, or

(2) Planted or replanted prior to the enactment of this section with respect to citrus groves, or planted or replanted prior to the effective date of the amendments to this section at the 1971 First Extraordinary Session of the Legislature with respect to almond groves or planted or replanted prior to the effective date of the amendments to this section at the 1975–76 Regular Session of the Legislature with respect to other fruit or nut groves.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall be applied in the computation of income years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for taxable years beginning on or after the first day of the calendar year following the effective date.

CHAPTER 848

An act to amend Section 74001 of the Government Code, relating to courts.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 74001 of the Government Code is amended to read:

74001. There shall be the following number of judges: in the North Orange County Municipal Court, 10, and on July 1, 1978, 11; in the Central Orange County Municipal Court, 12, and on January 1, 1978, 13; in the West Orange County Municipal Court, nine; in the Orange County Harbor Municipal Court, five; and in the South Orange County Municipal Court, three.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this

section nor shall there be any appropriation made by this act because this act is in accordance with the request of local governmental entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 849

An act to add Article 32.5 (commencing with Section 74830) to Chapter 10 of Title 8 of the Government Code, relating to courts.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 32.5 (commencing with Section 74830) is added to Chapter 10 of Title 8 of the Government Code, to read:

Article 32.5. Sutter County

74830. This article applies to the municipal court established in a judicial district embracing the County of Sutter. This court shall be known as the Sutter County Municipal Court.

74831. There shall be one judge.

74832. There shall be one clerk who shall receive the salary specified in range 38. The clerk may appoint:

(a) One court clerk III who shall be a deputy clerk and shall receive the salary specified in range 31.

(b) One court clerk II who shall be a deputy clerk and shall receive the salary specified in range 28.

(c) Three court clerks I who shall be deputy clerks and shall receive the salary specified in range 26.

(d) An additional court clerk III who shall be a deputy clerk and receive the salary specified in range 31, or an additional court clerk II who shall be a deputy clerk and shall receive the salary specified in range 28.

(e) An additional court clerk I who shall be a deputy clerk and shall receive the salary specified in range 26, or a typist clerk II who shall be a deputy clerk and shall receive the salary specified in range 25.

74833. The sheriff shall be ex officio marshal and shall act as such without additional compensation. The sheriff's designated deputies shall be ex officio deputy marshals of the court.

74834. (a) Whenever a reference is made to a numbered salary range in any section of this article, the schedule of biweekly salaries found in the salary resolution for the County of Sutter in effect on July 1, 1976, shall apply.

(b) In the event the Board of Supervisors of the County of Sutter

amends the resolution establishing salary ranges and biweekly salary rates for the personnel of the County of Sutter, effective on the date of this section, or adopts a new resolution which provides for a change in compensation for ranges or steps, such changes shall be effective for the municipal court employees under this article on the effective date of the action of the board of supervisors and shall remain effective only until January 1 of the second year following the year in which such change is made.

(c) Notwithstanding the provisions of this article, and in order to equalize the compensation of employees of the municipal court with the compensation paid to county employees with commensurate duties and responsibilities, upon recommendation of the judge of the court and with the approval of the Board of Supervisors of the County of Sutter, an officer or employee of this court may be paid any compensation which is within the ranges and increments set forth in this article in excess of or less than the maximum to which such officer or employee would otherwise be entitled under the salary range established for his classification by this article. Any such salary adjustment shall remain effective only until January 1 of the second year following the year in which such change is made.

74835. The officers and attachés of the municipal court shall be entitled to the same vacation, sick leave, and similar benefits and privileges as are granted to other employees of the County of Sutter under ordinances and resolutions of the board of supervisors.

74836. If an increase in the business of the court or any other emergency requires a greater number of attachés or employees for prompt and faithful discharge of the business of the court other than the number expressly provided in this article or requires the performance of duties of positions in a class not expressly provided in this article, with the approval of the judge of the court and the board of supervisors, the clerk may appoint as many additional attachés or employees as are needed. The additional attachés or employees shall be selected and appointed in the same manner as those for whom express provision is made, and they shall receive salary and compensation as prescribed in this article or as prescribed by ordinance or resolution of the board of supervisors for classes not expressly provided in this article.

Additional attachés and employees may continue in such positions only until the January 1 following their appointments, provided, however, if 180 days do not elapse between the date of the appointments and the following January 1, then such appointments shall be effective until January 1 of the following year. The provisions of this section are not intended to affect the application of Section 72150.

74837. All matters affecting the employment of such municipal court officers and attachés which are not specifically determined by this article or other provisions of state law shall be governed and regulated by the then current ordinances and resolutions of the Board of Supervisors of the County of Sutter.

74838. All officers and attachés of the municipal court shall devote their full time to the performance of their duties.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local governmental entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 850

An act to amend Sections 8375 of, and to repeal Section 8377 of, the Fish and Game Code, relating to fish, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 8375 of the Fish and Game Code is amended to read:

8375. No bluefin tuna weighing less than 7½ pounds may be sold, purchased, or processed.

SEC. 2. Section 8377 of the Fish and Game Code is repealed.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

To utilize the yellowfin tuna and albacore resources to the fullest during the present marketing season, this act must go into immediate effect.

CHAPTER 851

An act to amend Section 35541.9 of, and to repeal Section 35541.8 of, the Health and Safety Code, relating to housing.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 35541.8 of the Health and Safety Code is repealed.

SEC. 2. Section 35541.9 of the Health and Safety Code is amended to read:

35541.9. The Housing Authority of the City of Pleasanton need not demolish the temporary housing project in its jurisdiction commonly known as "Komandorski Village" until January 1, 1979.

The Legislature finds and declares that Komandorski Village, located in Pleasanton Township, Alameda County, has been maintained as reasonably safe and sanitary places in which to live.

The Legislature further finds and declares that the provisions of this section are intended to aid in relieving a critical shortage of low-rental housing in the eastern portion of Alameda County for members of low-income families and low-income military families, and that removal of Komandorski Village before said date would place an extreme hardship on these people.

This section shall not be construed to relieve any governmental agency of any existing duty under the present housing program.

CHAPTER 852

An act relating to the California State University and Colleges, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The sum of four hundred ninety-five thousand dollars ($495,000) is hereby appropriated from the Capital Outlay Fund for Public Higher Education to the Trustees of the California State University and Colleges, subject to the approval of the State Public Works Board, for construction and remodeling of Founders' Hall at State University, Humboldt; provided, that withdrawals shall be as required to meet current obligations as certified by the Trustees of the California State University and Colleges.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act appropriates funds for much needed construction and remodeling at State University, Humboldt. In order that the funds for such project may be made available at the earliest possible time, it is necessary that this act take effect immediately.

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CHAPTER 853

An act to add Section 4.1 to Chapter 1242 of the Statutes of 1963, relating to the Capitol Area Plan, and making an appropriation therefor.

[Approved by Governor September 8, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 4.1 is added to Chapter 1242 of the Statutes of 1963, to read:

Sec. 4.1. The lessee of any property leased by the Department of General Services pursuant to Section 4 of this act may, in any year, apply to the Department of General Services for, and receive, a credit against future rental payments or, a refund if he is no longer leasing the property, upon submission of evidence to the Department of General Services that he has paid the tax imposed upon him for that year for his possessory interest in the property. The amount of the credit or refund shall be the amount of the tax actually paid and shall be deducted from the payments made pursuant to Section 4.5 of this act to the County of Sacramento.

CHAPTER 854

An act to amend Sections 437, 437.1, 437.2, 437.3, 437.5, 437.7, 437.8, 1203, 1250, 1251, 1255, and 1268 of, to add Sections 437.6, 437.9, 437.10, 437.11, 437.12, 438, 438.1, 438.2, 438.3, 438.4, 438.5, 438.6, 438.8, 438.9, 438.10, 438.11, 438.12, 438.13, 439, 439.5, and 1250.1 to, to add and repeal Section 437.13 of, and to repeal Sections 437.6, 437.9, 437.10, 438, 438.1, 438.2, 438.3, 438.4, 438.5, 438.6, 1265.5, and 1265.7 of, the Health and Safety Code, and to amend Section 14105.5 of, and to add Section 14105.6 to, the Welfare and Institutions Code, relating to health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 9, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 437 of the Health and Safety Code is amended to read:

437. There is hereby created the Advisory Health Council, to be composed of 21 members.

The Governor shall appoint 13 members, one of whom shall be a state government official concerned with health, one of whom shall be a representative of nongovernmental organizations or groups

concerned with the operation, construction, or utilization of hospitals or other health care facilities, one of whom shall be representative of a public agency concerned with the operation, construction, or utilization of hospitals or general health activities, one of whom shall be concerned with the operation, construction or utilization of nongovernmental facilities or services for the retarded, one of whom shall be representative of nongovernmental organizations or groups concerned with the operation, construction or utilization of mental health services, one of whom shall be a provider of health care, one of whom shall be a representative of consumers of services for the mentally retarded, one of whom shall be a representative of consumers of mental health services, one of whom shall be a representative of local government, and four of whom shall be representatives of the general consumer public, as defined.

The Senate Committee on Rules shall appoint three members, one of whom shall be a Member of the Senate, one of whom shall be a provider of health care, and one of whom shall be a representative of the general consumer public.

The Speaker of the Assembly shall appoint three members, one of whom shall be a Member of the Assembly, one of whom shall be a provider of health care, and one of whom shall be a representative of the general consumer public.

The California Committee on Regional Medical Programs shall appoint one member.

The Administrator of Veterans' Affairs shall appoint one ex officio member.

The chairperson and vice chairperson of the council shall be selected by the council from among the members of the council who are the representatives of the general consumer public or public officials, except for Members of the Legislature and for representatives of major purchasers of health care services.

The representatives of the general consumer public shall be bona fide public representatives whose occupations are neither the administration of health activities nor the performance of health services, who personally have no fiduciary obligation, and have no immediate family member who has a fiduciary obligation, to a hospital or other health agency, and who have no material financial interest in the rendering of health services.

The Member, or Members, of the Senate, appointed by the Senate Committee on Rules, and the Member, or Members, of the Assembly, appointed by the Speaker, shall meet with and participate in the work of the council to the extent that such participation is not incompatible with their positions as Members of the Legislature. The Members of the Legislature appointed to the council shall serve at the pleasure of the appointing power. For purposes of this part, such Members of the Legislature shall constitute a joint legislative committee on the subject of this part and shall have the powers and duties imposed upon such committee by the Joint Rules of the Senate and Assembly.

SEC. 2. Section 437.1 of the Health and Safety Code is amended to read:

437.1. Of the members first appointed by the Governor, two shall hold office for four years, four shall hold office for three years, and two shall hold office for two years.

Of the members first appointed by the Senate Committee on Rules, one shall hold office for four years and one shall hold office for two years.

Of the members first appointed by the Speaker of the Assembly, one shall hold office for four years and one shall hold office for two years.

The members first appointed to the additional offices created by the amendments to this part effective November 10, 1969 and those enacted at the 1971 Regular Session of the Legislature shall hold office for four-year terms, except that members appointed by the California Committee on Regional Medical Programs and the Administrator of Veterans' Affairs shall serve at the pleasure of the appointing power.

Thereafter, each member, except a member appointed by the California Committee on Regional Medical Programs or the Administrator of Veterans' Affairs, shall hold office for four years. No appointing authority specified in Section 437 shall appoint any person to alternate membership on the Advisory Health Council, unless to fill the vacant term of an appointment.

The terms of Members of the Legislature appointed to the council shall be figured as indicated above, but the members shall serve at the pleasure of the appointing power and in no event after they cease to be Members of the Legislature.

SEC. 2.5. Section 437.2 of the Health and Safety Code is amended to read:

437.2. The Advisory Health Council shall meet at least bimonthly and as often as necessary to fulfill its duties.

Except as provided in Section 438.10, all decisions of the council shall be decided by a majority of the voting members.

SEC. 2.7. Section 437.3 of the Health and Safety Code is amended to read:

437.3. The members of the Advisory Health Council shall be reimbursed for any actual and necessary expenses incurred in connection with their duties as members of the council, except that the members shall receive per diem of one hundred dollars ($100) for each day actually spent in the discharge of official duties pursuant to Section 438.8. Such per diem shall not exceed three hundred dollars ($300) in any one calendar month.

SEC. 3. Section 437.5 of the Health and Safety Code is amended to read:

437.5. (a) The Advisory Health Council, with the recommendation of the state department, shall approve the statewide health facility and services plan adopted pursuant to subdivision (b) of Section 437.7.

(b) The Advisory Health Council shall advise the state department in the conduct of its health planning activities and in the setting of priorities in accordance with the statewide health facility and services plan adopted pursuant to subdivision (b) of Section 437.7.

(c) Public agencies shall furnish to the Advisory Health Council, upon request, data on health programs pertinent to effective planning and coordination.

(d) The Advisory Health Council shall act as the appeals body pursuant to Section 438.8 regarding applications for a certificate of need filed pursuant to this part.

SEC. 3.5. Section 437.6 of the Health and Safety Code is repealed.

SEC. 3.7. Section 437.6 is added to the Health and Safety Code, to read:

437.6. The director shall adopt emergency regulations for the implementation of the provisions of this part, as amended during the 1975–76 Regular Session of the Legislature by the act adding this section, within 90 days after the effective date of such act.

SEC. 4. Section 437.7 of the Health and Safety Code is amended to read:

437.7. In order to assure availability of objective and impartial review by planning groups (referred to as area health planning agencies) of proposals for health facility projects as set forth in Section 437.10, the Advisory Health Council shall evaluate and shall designate annually no more than one area health planning agency for any area of the state designated by the council, provided such agency shall be incorporated as a nonprofit corporation and be controlled by a board of directors consisting of a majority representing the public and local government as consumers of health services with the balance being broadly representative of the providers of health services and the health professions, or alternatively be a health systems agency established pursuant to Public Law 93-641. The functions of area health planning agencies shall be the following:

(a) To review information on utilization of hospitals and related health facilities.

(b) To develop area plans to be used for the determination of community need and desirability of projects specified in Section 437.10, consistent with the regulations adopted by the state department pursuant to Section 437.8. Each such plan shall become effective upon a determination by the council that the plan is in conformance with regulations adopted pursuant to Section 437.8. The council shall integrate all such area plans into a single Statewide Health Facilities and Services Plan, which shall become effective upon formal adoption by the council.

(c) To conduct public meetings in which providers of health care and consumers will be encouraged to participate.

(d) To review applications for certificates of need as required by Section 437.10 and make recommendations to the state department as to the need and desirability for the project proposed in the

application, based upon the statewide and area plans adopted pursuant to subdivision (b) or, prior to the adoption of such plans, based upon the existing plans specified in Section 437.9.

(e) To make written findings of fact and recommendations to be delivered to applicant and filed with the State Department of Health as a public record.

Area health planning agencies shall comply with the following requirements:

(1) The governing body of such agency shall, to the extent feasible, be composed of individuals representative of the major social, economic, linguistic, and racial populations, and geographic areas, within the area served by the agency.

(2) The agency shall hold public meetings and hearings only after reasonable public notice. Such notice shall, to the extent feasible, be publicized directly to those who, as determined by the director, are medically underserved and are in other ways denied equal access to good medical care.

(3) The agency shall file with the Advisory Health Council an affirmative action employment plan approved by the state department.

Area health planning agencies may divide their areas into local areas for purposes of more effective health facility planning, with the approval of the Advisory Health Council. Such local areas shall be of a geographic size and contain adequate population to insure a broad base for planning decisions. Each local area shall contain a local health planning agency which shall meet the requirements of this section.

An organization which meets the requirements of this section may make application to its area health planning agency for designation as a local health planning agency for a designated area. Within 45 days after a complete application for designation has been received, the area agency shall reach a decision concerning the application.

Each area health planning agency existing on the operative date of amendments to this section enacted during the 1976 portion of the 1975–76 Regular Session of the Legislature shall continue to function as an area planning agency pursuant to this part, and shall provide review and recommendations on applications for certificates of need until such time as one or more designated health systems agencies are fully operational, as determined by the Advisory Health Council in the area served, or formerly served, by the respective area health planning agency.

If the Advisory Health Council determines that an area health planning agency approved under this section is dissolved or unable to carry out the functions required by this part, the state department shall fulfill the responsibilities of an area health planning agency pursuant to this part in the area until such time as another area health planning agency is designated by the Advisory Health Council for such area and becomes fully operational.

Adoption of regulations setting forth administrative procedures for

area and local area health planning agencies shall be made by the state department pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 5. Section 437.8 of the Health and Safety Code is amended to read:

437.8. The state department shall promulgate regulations setting forth statewide policies for area health planning agencies in the performance of their responsibilities under Section 437.7.

In adopting such regulations, the department shall, with the advice of the Advisory Health Council, consider the following factors, and may consider other factors not inconsistent with the following:

(a) The need for health care services in the area and the requirements of the population to be served, including evaluation of current utilization patterns;

(b) The availability and adequacy of health care services in the area's existing facilities which currently conform to federal and state standards;

(c) The availability and adequacy of services in the area such as preadmission, ambulatory or home care services which may serve as alternatives or substitutes for care in health facilities;

(d) The possible economies and improvement in service that may be derived from the following:

(1) Operation of joint, cooperative, or shared health care resources;

(2) Maximum utilization of health facilities consistent with the appropriate levels of care, including but not limited to intensive care, acute general care, and skilled nursing care;

(3) Development of medical group practices, especially those providing services appropriately coordinated or integrated with institutional health service, and development of health maintenance organizations;

(e) The development of comprehensive services for the community to be served. Such services may be either direct or indirect through formal affiliation with other health programs in the area, and include preventive, diagnostic, treatment and rehabilitation services. Preference shall be given to health facilities which will provide the most comprehensive health services and include outpatient and other integrated services useful and convenient to the operation of the facility and the community;

(f) The needs or reasonably anticipated needs of special populations, including members of a comprehensive group practice prepayment health care service plan, members of a religious body or denomination who desire to receive care and treatment in accordance with their religious conviction, or persons otherwise contracted or enrolled under extended health care arrangements, including life-care agreements pursuant to Chapter 4 (commencing with Section 16300) of Part 4 of Division 9 of the Welfare and Institutions Code;

(g) The special needs and circumstances of those entities which

provide a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located. Such entities may include medical and other health professional schools, multidisciplinary clinics, and specialty centers.

SEC. 6. Section 437.9 of the Health and Safety Code is repealed.

SEC. 6.5. Section 437.9 is added to the Health and Safety Code, to read:

437.9. The basis for decisions by the state department on applications for certificates of need filed pursuant to this part shall be:

(a) The Statewide Health Facilities and Services Plan specified in subdivision (b) of Section 437.7. Until the statewide plan is adopted by the council pursuant to subdivision (b) of Section 437.7:

(1) Existing area plans developed pursuant to subdivision (b) of Section 437.7, as it existed prior to its amendment by enactment of this section, shall continue in effect, and shall be the basis for decisions on projects requiring a certificate of need pursuant to subdivision (a) of Section 437.10.

(2) Review and approval of projects requiring a certificate of need pursuant to subdivision (b), (c), (d), or (e) of Section 437.10 shall be governed by regulations which shall be adopted by the state department pursuant to Section 437.6.

(b) The statewide policies developed pursuant to Section 437.8.

SEC. 7. Section 437.10 of the Health and Safety Code is repealed.

SEC. 8. Section 437.10 is added to the Health and Safety Code, to read:

437.10. Except as otherwise exempted by Sections 437.11,, 437.13, or this section, projects requiring a certificate of need issued by the State Department of Health are the following:

(a) Construction of a new health facility, the increase of bed capacity in an existing health facility, the conversion of an existing health facility from one license category to another, or, on or after January 1, 1977, the conversion of a health facility's existing beds in one bed classification to a different bed classification. As used in this section, "license category" means any category of health facility set forth in Section 1250 and "bed classification" means any classification set forth in Section 1250.1. A facility may use beds in one bed classification which, pursuant to the facility's license, have been designated in another bed classification, if all such bed classification changes do not at any point in time exceed 5 percent of the total number of the facility's beds as set forth by the facility's license and if such use meets the requirements of Chapter 2, (commencing with Section 1250) of Division 2.

In addition, a facility may use an additional 5 percent of its beds in such manner if the director finds that seasonal fluctuations justify it.

(b) A new clinic or change in clinic class, as defined in subdivision (e) or (f) of Section 1203.

(c) The establishment of a new special service delineated in subdivision (a), (b), (d), (e), (f), (g), or (h) of Section 1255, or the establishment, pursuant to subdivision (c) of Section 1255, of an emergency center which provides basic or comprehensive emergency medical services, as defined by regulation of the state department.

(d) The initial purchase or lease by a facility of diagnostic or therapeutic equipment with a value in excess of one hundred fifty thousand dollars ($150,000) in a single fiscal year, or for which the cumulative cost exceeds such amount in more than one fiscal year. For purposes of this subdivision, the purchase or lease of one or more articles of functionally related diagnostic or therapeutic equipment, as determined by the state department, shall be considered together.

(e) Any project requiring a capital expenditure for a health facility, or for a clinic licensed pursuant to subdivisions (e) or (f) of Section 1203, or for the services, equipment or modernization of such facility or clinic in excess of one hundred fifty thousand dollars ($150,000) in the current fiscal year or cumulation to an expenditure of one hundred fifty thousand dollars ($150,000) in the same fiscal year or subsequent fiscal years for a single project.

For the purposes of this subdivision, a "capital expenditure" shall mean any of the following:

(1) An expenditure, including an expenditure for a construction project undertaken by the facility as its own contractor, which under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance and which exceeds one hundred fifty thousand dollars ($150,000). The cost of studies, surveys, legal fees, land, offsite improvements, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of the physical plant and equipment with respect to which such expenditure is made shall be included in determining whether such cost exceeds one hundred fifty thousand dollars ($150,000). Where the estimated cost of a proposed project, including cost escalation factors appropriate to the area in which the project is located, is, within 60 days of the date on which the obligation for such expenditure is incurred, certified by a licensed architect or engineer to be one hundred fifty thousand dollars ($150,000) or less, such expenditure shall be deemed not to exceed one hundred fifty thousand dollars ($150,000) regardless of the actual cost of such project. However, in any such case where the actual cost of the project exceeds one hundred fifty thousand dollars ($150,000) the health facility on whose behalf such expenditure is made shall provide written notification of such cost to the state department not more than 30 days after the date on which such expenditure is incurred. Such notification shall include a copy of the certified estimate.

(2) The acquisition, under lease or comparable arrangement, or through donation, of any facility or part thereof, or equipment for a facility, the expenditure for which would have been considered a

capital expenditure if the person had acquired it by purchase. For the purposes of this paragraph, "donation" shall not include a bequest.

(3) Any change in a proposed capital expenditure which itself meets the criteria set forth in this subdivision.

A "capital expenditure" shall include the total cost of the proposed project as certified by a licensed architect or engineer based on preliminary plans or specifications and concurred in by the state department. For the purposes of this subdivision, "project" shall not include the purchase of real property for future use or the transfer of ownership, in whole or part, of an existing health facility or the acquisition of all or substantially all of the assets or stock thereof.

For the purposes of this subdivision, "modernization" means the alteration, expansion, repair, remodeling, replacement, or renovation of existing buildings, including initial equipment thereof, and the replacement of equipment of existing buildings.

The state department shall annually adjust the capital expenditure thresholds set forth in subdivision (d) and (e) of this section to reflect changes in the cost of living, as determined by the Department of Finance, using 1976 as the base year.

SEC. 9. Section 437.11 is added to the Health and Safety Code, to read:

437.11. (a) The state department shall exempt from the provisions of Sections 438 to 438.13, inclusive, and shall issue a certificate of exemption for those projects which were not previously subject to review under Section 437.7 prior to the effective date of this section where the applicant has shown and the director has found that:

(1) The applicant has, prior to the effective date of this section, committed or incurred a financial obligation, including any obligation payable by force account, which is certified by a licensed architect or engineer to be 10 percent of the cost of the total project, or seventy-five thousand dollars ($75,000), whichever is less; and

(2) The project cannot be terminated without substantial economic loss to the applicant; and

(3) Except with respect to projects set forth in subdivision (d) of Section 437.10, the project was commenced prior to the effective date of this section and is being diligently pursued to completion; and

(4) The applicant has filed a notice of such project with the state department on forms supplied by the state department within 60 days of the effective date of this section.

For the purposes of this subdivision, "project" shall mean any project set forth in Section 437.10, and the term "financial obligation" shall include cost factors set forth in the definition of "capital expenditure" in Section 437.10.

Within 120 days of the effective date of this section, the state department shall determine in public hearing which applications are entitled to an exemption under this subdivision.

(b) In addition, the state department shall exempt from the

provisions of Sections 438 to 438.13, inclusive, and shall issue a certificate of need for those projects where the applicant has shown and the director has found that:

(1) The project is necessary solely to replace health care services that are no longer available at the facility because of a disaster or other emergency; or

(2) The project is solely for the purpose of complying with requirements of law or regulations; or

(3) The project was the subject of an application submitted to an area health planning agency prior to the effective date of this section. Such applications shall be processed and decided in the manner prescribed by this part as it existed immediately prior to the operative date of this section, except that any petition for appeal of a decision or lack of decision of such an area health planning agency rendered after the effective date of this section shall be made directly to the Advisory Health Council.

(c) A certificate of exemption issued pursuant to this section or Section 1268 shall for all purposes have the same effect as a certificate of need issued pursuant to this part.

SEC. 10. Section 437.12 is added to the Health and Safety Code, to read:

437.12. Taking into consideration the basis for decision set forth in Section 437.9:

(a) The state department may in individual cases, grant certificates of need for projects with respect to which it determines that one of the following is applicable:

(1) The applicant has provided evidence that the project will meet the needs or reasonably anticipated needs of a special population including members of a religious body or denomination who desire to receive care and treatment in accordance with their religious convictions.

(2) The applicant has provided evidence that the project is or will be necessary to meet the health needs or reasonably anticipated health needs of adult residents of a nonprofit community care facility, as defined by subdivision (a) of Section 1502, which is owned by the applicant.

(3) The applicant has provided evidence that, as a health facility, it has developed community support for its services as indicated by its current utilization patterns, and has provided health care services for at least five years.

(4) The applicant has provided evidence, when the project is for a new health facility or an increase in bed capacity, that there will be an equal or greater reduction in bed capacity in other health facilities in the area.

Nothing in this subdivision shall require the state department to grant certificates of need as authorized by this section in any of the above categories.

(b) The state department shall grant certificates of need for projects where the applicant has shown and the director has found

that the predominant use of the project is, or will be, by members of a comprehensive group practice prepayment health care service plan, that the project will meet the needs or reasonably anticipated needs of such members, and the beds or services to be provided are not available to the applicant from nonplan providers; provided, that the director shall not issue a certificate of need pursuant to this subdivision if he finds that the project will result in a substantial increase in health care costs in the community.

For the purposes of subdivision (b), health facility beds or services shall not be considered available if they are dispersed in several facilities, not available on a long-term contractual basis, not available under circumstances which would grant full and equal staff privileges to an adequate number of plan physicians in appropriate specialties, or, in general, where the state department determines the beds or services are not available in a manner which is economically and clinically feasible to the plan.

In order to qualify under this section, a project shall be for or be at a health facility which accommodates at least 50 physicians located therein, or immediately adjacent thereto. Such physicians shall be in group practice and provide at least 75 percent of the medical services they deliver to members of the comprehensive group practice prepayment health care service plan. Such plan shall provide or arrange for both inpatient and outpatient health care services on a prepaid basis.

The state department shall establish uniform procedures and criteria for approving applications under this section.

SEC. 10.5. Section 437.13 is added to the Health and Safety Code, to read:

437.13. Notwithstanding any other provision of law, no proposal for the remodeling of any health facility licensed on the effective date of this section or for the construction of any new health facility to replace in whole or in part any existing health facility licensed on the effective date of this section, or for the replacement of the equipment or services of any health facility licensed on the effective date of this section, shall be required to be approved as provided in this part, unless the proposal involves one of the following:

(a) An increase in bed capacity.

(b) The conversion of a facility in one category of licensure to a different category of licensure.

(c) The conversion of any of a health facility's existing beds from one classification set forth in Section 1250.1 to another classification, except as authorized by Section 437.10.

(d) A significant expansion or addition of diagnostic or therapeutic capability, or a significant expansion or addition of services.

(e) Location of the health facility on a site which is not the same site or adjacent thereto.

(f) The remodeling or replacement of any special service set forth in subdivision (a), (b), (c), (d), (e), (f), (g), or (h) of Section 1255,

which exceeds a cost of one hundred fifty thousand dollars ($150,000), unless a certificate of need has been obtained for such remodeling or replacement of such special service.

For all purposes, including those specified in Section 14105.5 of the Welfare and Institutions Code and in Section 1268 of this code, it shall be deemed that a certificate of need has been issued for such a proposal.

Health facilities desiring an exemption under this section shall, pursuant to regulations of the state department, submit an application and plans to the state department. The state department shall inform the applicant in writing of its determination as to eligibility of the applicant's proposal for such exemption within 60 calendar days of receipt of the application. If the state department determines that the proposal is not eligible for such exemption, the applicant may reapply for a certificate of need as provided in Section 438 or seek judicial review.

This section shall remain in effect only for 10 years from the effective date of this section, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 1, 1986, deletes or extends such date.

SEC. 11. Section 438 of the Health and Safety Code is repealed.

SEC. 12. Section 438 is added to the Health and Safety Code, to read:

438. Applicants for a certificate of need for a project specified in Section 437.10 shall submit an application to the state department on the official forms provided by the state department, which may include, but need not be limited to, the following information:

(a) The site of the facility in the geographic area to be served.

(b) The population to be served, categorized by age, income, and sex, as well as projections of population growth, by age, income, and sex.

(c) The anticipated demand for the health care service or services to be provided.

(d) A description of the service or services to be provided.

(e) Utilization of existing programs within the area to be served offering the same or similar health care services.

(f) The benefit to the community which will result from the development of the project as well as the anticipated impact on other institutions offering the same or similar services in the area.

(g) A schedule for the commencement and completion of the project.

(h) Reasonable assurance that adequate financing is available for the completion of the project within the time period stated in the application.

SEC. 13. Section 438.1 of the Health and Safety Code is repealed.

SEC. 14. Section 438.1 is added to the Health and Safety Code, to read:

438.1. Each application for a certificate of need shall contain all of the information required by the state department and, except as

otherwise provided in this part, shall be accompanied by a fee. Such fee shall be determined annually by regulation of the director and shall be set forth in a schedule differentiating by type and cost of project, as determined by the director. The director shall establish such fees so that in the aggregate they will defray costs of processing certificate of need applications which are not otherwise defrayed by the special fees charged pursuant to Section 439. However, the application fee for a certificate of need shall not in any event exceed five thousand dollars ($5,000).

SEC. 15. Section 438.2 of the Health and Safety Code is repealed.

SEC. 16. Section 438.2 is added to the Health and Safety Code, to read:

438.2. The state department shall make a determination as to whether the application for a certificate of need is complete and shall so notify the applicant and the appropriate area health planning agency. A filed application shall be a public document and shall be available for inspection at the offices of the area health planning agency and the state department. Applications filed by any state agency or the Board of Regents of the University of California shall be exempt from a filing fee. A copy of any filed application shall be furnished to any person upon request and payment of a reasonable fee, to be established by the state department in an amount sufficient to defray the costs of reproduction.

A completed application may be amended or withdrawn by the applicant at any time without prejudice, but any amendment to an application, except as the state department and the applicant may otherwise agree, shall cause the amended application to be treated as a new application for purposes of the time limits prescribed by this article and for the determination of the amount of the fee. If the state department determines that the application is incomplete, it shall so notify the applicant and the appropriate area health planning agency within 15 calendar days of the receipt of the application, advising the applicant of the additional information required. After such notice, the application shall not be deemed filed until a complete application is received by the state department. If the notice that the application is incomplete is not given within 15 calendar days, the application shall be deemed complete and the state department shall thereupon proceed with its review. When the application is originally filed, the state department shall promptly publish notice of its filing in a newspaper of general circulation in the geographical area to be served by the project.

SEC. 17. Section 438.3 of the Health and Safety Code is repealed.

SEC. 18. Section 438.3 is added to the Health and Safety Code, to read:

438.3. At least 60 calendar days prior to the filing of an application for a certificate of need under Section 437.10, or the filing of an application under Section 437.13, the applicant shall notify the state department and appropriate area health planning agency of its intent to apply for a certificate of need. The state department and

the area health planning agency may consult with the applicant on the proposed project.

The state department may refuse to grant a certificate of need where the applicant has failed to file a notification of intent to apply for a certificate of need pursuant to this section. However, if a certificate of need is issued, it shall not be invalidated on the sole basis of failure of the applicant to notify the department within the time required by this section.

SEC. 19. Section 438.4 of the Health and Safety Code is repealed.

SEC. 19.5. Section 438.4 is added to the Health and Safety Code, to read:

438.4. The state department shall promptly transmit a copy of each application for a certificate of need determined by it to be complete, or otherwise deemed complete pursuant to Section 438.2, to the appropriate area health planning agency. Within 30 calendar days after receiving a copy of an application, the area health planning agency shall hold one or more public meetings for review and comment upon the application. Within 45 days after receiving an application, the area health planning agency shall submit to the state department any recommendations or comments concerning the application.

SEC. 20. Section 438.5 of the Health and Safety Code is repealed.

SEC. 21. Section 438.5 is added to the Health and Safety Code, to read:

438.5. (a) Within 90 calendar days of the receipt of the complete application, or an application otherwise deemed complete pursuant to Section 438.2, the state department shall hold a hearing on the application in the geographical area served by the area health planning agency reviewing the project. At the hearing, the area health planning agency shall present its recommendations and comments on the application. Except as otherwise provided in this part, the hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, except that the state department may use its own hearing officer.

(b) On verified petition of any party, the state department or the hearing officer shall order that the testimony of any material witness residing within or without the state be taken by deposition in the manner prescribed by law for depositions in civil actions where the party shows and the state department or hearing officer finds that the proposed testimony is material. The petition shall set forth the nature of the pending proceedings, the name and address of the witness whose testimony is desired, a showing of the materiality of the testimony, and shall request an order requiring the witness to appear and testify before an officer named in the petition for that purpose. Where the witness resides outside the state and where the agency has ordered the taking of the testimony by deposition, the agency shall obtain an order of court to that effect by filing a petition therefor in the superior court in Sacramento County. The

proceedings thereon shall be in accordance with the provisions of Section 11189 of the Government Code. The provisions of this subdivision shall have no force or effect on and after two years following the effective date of this section.

(c) The state department shall make a final decision on an application within 15 calendar days after the conclusion of the public hearing at which the application was considered and shall make its findings public. The decision shall either approve the application, approve it with modifications, reject it, or approve it with conditions mutually agreed upon by the applicant and the state department. Failure of the state department to render a decision within such time shall be deemed approval of the application and the state department shall issue a certificate of need for the project described in the application. The failure of any applicant to fulfill the conditions under which the certificate of need was granted shall constitute grounds for revocation of such certificate of need.

(d) Notice of the substance of the state department's decision shall be published in a newspaper of general circulation within the area served by the area health planning agency which reviewed the application, within 10 calendar days following the decision. If the decision differs from the recommendation of the area health planning agency, the state department shall submit to the area health planning agency a detailed, explanatory statement.

SEC. 22. Section 438.6 of the Health and Safety Code is repealed.

SEC. 23. Section 438.6 is added to the Health and Safety Code, to read:

438.6. (a) The undertaking of a project for which a certificate of need is required, as provided in this part, without having first obtained a certificate of need shall (1) constitute grounds for revocation or denial of licensure, and (2) shall be deemed a violation of Section 1253.

In addition, the state department may assess and collect a civil penalty from any person undertaking such a project without a certificate of need. For projects requiring a certificate of need pursuant to subdivision (a) of Section 437.10, the civil penalty shall not be more than five thousand dollars ($5,000). For projects requiring a certificate of need pursuant to subdivisions (b), (c), (d), or (e) of Section 437.10, the civil penalty shall be two thousand five hundred dollars ($2,500) or 20 percent of the cost of the project, whichever is less.

(b) A certificate of need shall expire 18 months from the date of issuance unless:

(1) The certificate holder has commenced the project covered by the certificate of need and is diligently pursuing the same to completion, as determined by the state department; or

(2) The duration of the certificate of need has been extended by the state department upon a showing of good cause. However, such extension shall not cumulatively exceed a period of 12 months beyond the original expiration date of the certificate of need.

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SEC. 25. Section 438.8 is added to the Health and Safety Code, to read:

438.8. Any decision issued pursuant to Section 438.5 shall take effect 30 calendar days following its issuance unless within such time the applicant or the appropriate area health planning agency files a petition for appeal with the Advisory Health Council. The Advisory Health Council shall render a decision on each such appeal, and appeal shall be by right. The filing of a petition shall operate to suspend and stay the state department's decision pending the hearing and entry of a final decision.

A petition for appeal shall be filed with the council within 30 calendar days following the date a decision is issued by the state department. The petition shall be filed in the form and manner as prescribed by the state department. As soon as such a petition is filed, the council shall be polled and respond in writing to determine within 30 calendar days whether it will take oral argument on such petition. The council shall order a hearing if at least seven of the members certify in writing that they agree to take oral argument. If the council orders a hearing, the hearing shall be held within 60 calendar days of the date of the council's order. If a hearing is denied, a statement of the reasons for denial shall be issued by the council which shall be sent to the applicant, the state department, the area health planning agency, and persons requesting such a statement.

The council shall cause to be published in a newspaper of general circulation in the area in which the proposed project is to be located, at least 30 calendar days prior to the appeal hearing, a notice summarizing the application and the state department's decision, with such particulars as the council may deem necessary, including, but not limited to, the name and address of the applicant, the type of project, and the date, time and place of the appeal hearing. In addition, the council shall send copies of such notice to the applicant, the state department, the area health planning agency, and any person requesting such notice.

Parties to the appeals proceedings may be the applicant, the state department, or the area agency from the area in which the proposed project would be located. A petition for appeal from an area health planning agency shall be signed by at least a majority of the agency's governing board, and a majority of the signatories shall be consumers, as defined by regulation of the state department. Any other person shall have the right to appear and be heard at the appeal hearing, but shall not be a party to the proceedings.

The appeal hearing may be held by the council or by a hearing officer, as ordered by the council. If there is a hearing officer, he shall rule on the admission and exclusion of evidence. The council shall exercise all other powers relating to the conduct of the hearing, but may delegate any or all of such powers to the hearing officer. Except as otherwise provided in this part, appeal hearings shall conform to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, except that the

state department may use its own hearing officer.

SEC. 26. Section 438.9 is added to the Health and Safety Code, to read:

438.9. Grounds for appeal pursuant to Section 438.8 shall be limited to the following:

(a) The state department or the hearing officer violated the review procedures prescribed by this part.

(b) The decision of the state department is not supported by substantial evidence.

(c) The state department or hearing officer has otherwise acted in an arbitrary and capricious manner.

SEC. 27. Section 438.10 is added to the Health and Safety Code, to read:

438.10. The Advisory Health Council, upon review of a decision of the state department, shall do one of the following:

(a) Enter an order affirming the decision of the state department where it finds as to the respective basis of review that:

(1) The application was processed and the hearing conducted consistent with the provisions of this part, or that any inconsistency with respect thereto was immaterial to the decision of the state department.

(2) There is substantial evidence in the record supporting the state department's decision.

(3) The state department has not acted in an arbitrary and capricious manner.

(b) Enter an order remanding the decision of the state department where it finds as to the respective basis of review that:

(1) The application was not processed or the hearing conducted consistent with the provisions of this part, and such inconsistency was material to the decision rendered by the state department.

(2) There is no substantial evidence in the record supporting the decision.

(3) The state department has acted in an arbitrary or capricious manner.

(c) Enter an order reversing the decision of the state department where it finds as to the respective basis of review that:

(1) The application was not processed or the hearing conducted consistent with the provisions of this part, and such inconsistency was material to the decision rendered by the state department.

(2) There is no substantial evidence in the record supporting the decision.

(3) The state department has acted in an arbitrary or capricious manner.

Orders of the council authorized by this section shall be made only upon the affirmative vote of a majority of the council, with at least six of the affirmative votes cast by the following members:

(a) Representative of consumers of services for the mentally retarded appointed by the Governor.

(b) Representative of consumers of mental health services

appointed by the Governor.

(c) Representative of local government appointed by the Governor.

(d) Representatives of the general consumer public appointed by the Governor, Senate Committee on Rules, or Speaker of the Assembly.

(e) Members of the Legislature appointed by the Senate Committee on Rules or Speaker of the Assembly.

SEC. 28. Section 438.11 is added to the Health and Safety Code, to read:

438.11. Where the order of the Advisory Health Council remands the decision of the state department pursuant to subdivision (b) of Section 438.10, the council may direct the state department to reconsider the application pursuant to Section 11521 of the Government Code in the light of its order and to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the state department.

If the Advisory Health Council does not adopt a decision within 90 calendar days after the close of the hearing provided for by Section 438.8, in the absence of reconsideration on the motion of the state department the decision of the state department shall be final.

SEC. 29. Section 438.12 is added to the Health and Safety Code, to read:

438.12. An appellant, other than an agency of the state or the Board of Regents of the University of California, who petitions pursuant to Section 438.8, shall be responsible for the actual cost to the state for the hearing officers and stenographic assistance, including reproduction of minutes and reports, connected with the appeal, as determined by the Department of General Services. However, when a decision of the state department is remanded or reversed by the council, the appellant shall not be required to reimburse such costs.

SEC. 30. Section 438.13 is added to the Health and Safety Code, to read:

438.13. Judicial review of a decision of the Advisory Health Council affirming the decision of the state department pursuant to subdivision (a) of Section 438.10 may be had by any party to the proceedings, other than the state department, as provided in Section 1094.5 of the Code of Civil Procedure. An appellant desiring to contest an adverse decision of the state department need not pursue the appeal procedures prescribed by this part, but may elect to pursue direct judicial remedy pursuant to Section 1094.5 of the Code of Civil Procedure. The decision of the council or state department shall be upheld against a claim that its findings are not supported by the evidence unless the court determines that the findings are not supported by substantial evidence.

SEC. 31. Section 439 is added to the Health and Safety Code, to read:

439. (a) Every health facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 shall be charged a fee of not more than 0.025 percent of the health facility's gross operating cost for the provision of health care services for its last fiscal year ending prior to the effective date of this section. Thereafter, the state department shall set, and charge to, and collect from all health facilities a special fee, which shall be due on July 1, and delinquent on July 31, of each year beginning with the year 1977, of not more than 0.025 percent of the health facility's gross operating cost for provision of health care services for its last fiscal year which ended on or before June 30 of the preceding calendar year. Each year the state department shall establish the fee to produce revenues equal to the appropriation to pay for the functions required to be performed pursuant to this part by the state department, the area and local health planning agencies, and the Advisory Health Council.

Health facilities which pay fees shall not be required to pay, directly or indirectly, the share of the costs of those health facilities for which fees are waived.

(b) Any amounts raised by the collection of the special fees provided for by subdivision (a) of this section which are not required to meet appropriations in the Budget Act for the current fiscal year shall remain in the General Fund and shall be available to the state department and the council in succeeding years, when appropriated by the Legislature, for expenditure under the provisions of this part and shall reduce the amount of such special fees which the state department is authorized to establish and charge.

(c) No health facility liable for the payment of fees required by this section shall be issued a license or have an existing license renewed unless such fees are paid. New, previously unlicensed health facilities shall be charged a pro rata fee to be established by the state department during the first year of operation.

The license of any health facility, against which the fees required by this section are charged, shall be revoked, after notice and hearing, if it is determined by the state department that the fees required were not paid within the time prescribed by subdivision (a).

SEC. 32. Section 439.5 is added to the Health and Safety Code, to read:

439.5. (a) The state department shall contract with agencies approved pursuant to Section 437.7 for the purpose of providing such agencies with funds to assist them to perform the duties required of them by this part. The Advisory Health Council shall review and make recommendations to the state department upon all contracts to be entered into under this section. The state department shall prepare such contracts upon information submitted by such agencies in such form as required by the state department.

(b) Pending final approval by the state department of such contracts, the state department may advance such funds to those area health planning agencies which the director determines require

emergency assistance to carry out their functions under this part. Such emergency funding authority shall expire July 1, 1977. After determining the emergency funding available to each area health planning agency, the state department shall immediately notify the administrative body of each area health planning agency of such amount and the conditions governing its availability.

SEC. 33. Section 1203 of the Health and Safety Code is amended to read:

1203. No clinics are eligible for licensure under this chapter, except the classes as defined in the following:

(a) A community clinic is a clinic operated by a nonprofit corporation, supported and maintained in whole or in part by donations, bequests, gifts, grants, fees, or contributions. In a community clinic any charges for advice, diagnosis, treatment, medicines, drugs, appliances, or apparatus concerning bodily and mental disease and injuries are based on ability of the patient to pay or such services are given without charge. No corporation, other than a nonprofit corporation, no part of the net earnings of which inure, or may lawfully inure, to the benefit of any private shareholder or individual, shall operate a community clinic. No natural person or persons shall operate a community clinic.

(b) A teaching and research clinic is a clinic operated by or affiliated with any institution of learning which teaches a recognized healing art and which is approved by the state agency having regulation of the pratice of that healing art.

(c) An employer's clinic is a clinic operated by an employer, or jointly by two or more employers, without profit to them, for the prevention and treatment of accidental injuries to, and the care of the health of, their employees only.

(d) An employees' clinic is a clinic operated by a group of employees or jointly by employees and employers, without profit to the operators thereof or to any other person, for the prevention and treatment of accidental injuries to, and the care of the health of, the employees comprising such group.

(e) A surgical clinic is a clinic which is not part of a hospital and which provides ambulatory surgical care for patients who remain less than 24 hours. A surgical clinic does not include the offices of private physicians, or dentists, in individual or group practice.

(f) A chronic dialysis clinic is a clinic which provide less than 24-hour care for the treatment of patients with end-stage renal disease.

SEC. 34. Section 1250 of the Health and Safety Code is amended to read:

1250. As used in this chapter "health facility" means any facility, place or building which is organized, maintained and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which such persons are

admitted for a 24-hour stay or longer, and includes the following types:

(a) "General acute care hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff which provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

(b) "Acute psychiatric hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff which provides 24-hour inpatient care for mentally disordered, incompetent, or other patients referred to in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy, and dietary services.

(c) "Skilled nursing facility" means a health facility which provides the following basic services: skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis.

(d) "Intermediate care facility" means a health facility which provides the following basic services: inpatient care to ambulatory or semi-ambulatory patients who have recurring need for skilled nursing supervision and need supportive care, but who do not require availability of continuous skilled nursing care.

(e) "Special hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical or dental staff which provides inpatient or outpatient care in rehabilitation, dentistry, or maternity.

SEC. 35. Section 1250.1 is added to the Health and Safety Code, to read:

(a) Within 45 days after the effective date of this section, the state department shall adopt emergency regulations which define the following bed classifications for health facilities:

(1) General acute care,

(2) Skilled nursing,

(3) Intermediate care,

(4) Acute psychiatric,

(5) Specialized care, with respect to special hospitals only.

(b) Within 30 days after the adoption of such regulations, each category of health facility shall classify its beds according to one or more of the bed classifications enumerated in subdivision (a), and shall notify the state department in writing of such classification.

SEC. 36. Section 1251 of the Health and Safety Code is amended to read:

1251. "License" means a basic permit to operate a health facility with an authorized number and classification of beds. A license shall

not be transferable.

SEC. 37. Section 1255 of the Health and Safety Code is amended to read:

1255. In addition to the basic services offered under the license, a general acute care hospital may be approved in accordance with subdivision (b) of Section 1277 to offer special services including, but not limited to, the following:

(a) Radiation therapy department.
(b) Burn center.
(c) Emergency center.
(d) Hemodialysis center (or unit).
(e) Psychiatric.
(f) Intensive-care newborn nursery.
(g) Cardiac surgery.
(h) Renal transplant.
(i) Such other special services as the department may prescribe by regulation.

The state department shall adopt standards for special services and such other regulations as may be necessary to implement this section.

SEC. 38. Section 1265.5 of the Health and Safety Code is repealed.

SEC. 39. Section 1265.7 of the Health and Safety Code is repealed.

SEC. 40. Section 1268 of the Health and Safety Code is amended to read:

1268. Upon the filing of the application for licensure or for a special permit for special services and full compliance with the provisions of this chapter and the rules and regulations of the state department, the state department shall issue to the applicant the license or special permit applied for. A license shall not be issued or renewed for beds permanently converted to other than patient use and which do not meet construction and operational requirements. However, if the director finds that the applicant is not in compliance with the laws or regulations of this part, he shall deny the applicant a license or a special permit for special services. Additionally, the director shall not issue a license covering a project within the meaning of Section 437.10 for which there is no valid, subsisting, and unexpired certificate of need issued pursuant to Part 1.5 (commencing with Section 437) of Division 1; provided that (1) a license and a certificate of exemption shall be issued for projects considered pursuant to Part 1.5, as it existed prior to the effective date of amendments to this section enacted during the 1976 portion of the 1975–76 Regular Session of the Legislature, for which there is outstanding a valid and subsisting approval for the project; or (2) the voluntary area health planning agency failed to reach a decision on the project or act on the recommendation of the voluntary local health planning agency within the time prescribed; or (3) more than 12 months have expired since a decision on the project was reached by the voluntary area health planning agency.

SEC. 41. Section 14105.5 of the Welfare and Institutions Code is amended to read:

14105.5. The director or prepaid health plans shall make no payment for services rendered prior to January 1, 1977, to any health facility which secures a license under the provisions of Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code after July 1, 1970, covering a new facility or additional bed capacity or the conversion of existing bed capacity to a different license category, unless such licensee received a favorable final decision by the voluntary area health planning agency in the area, the consumer members of a voluntary area health planning agency acting as an appeals body or the Advisory Health Council pursuant to Sections 437.7 to 438.5, inclusive, of the Health and Safety Code; or unless the licensee had filed an application for a license prior to January 1, 1970, and the application met all then-existing requirements and regulations of the appropriate state agency at the time of application including, at least, preliminary submission of plans, and if such licensee commences construction of his project prior to July 1, 1971, and if such licensee has on file with the State Department of Health a notarized affidavit from the building department having jurisdiction indicating that substantial progress on the approved project was attained by January 1, 1973, and such licensee has on file with the county recorder and State Department of Health a valid notice of construction completion indicating January 1, 1974, as the completion date; except that the State Department of Health shall extend the foregoing dates by no more than a total of two years in the case of projects where delay has resulted from the death of the original applicant, and shall extend the foregoing dates by no more than a total of one year in the case of projects where other good cause has been shown why such extension should be granted. The exception provided for in the preceding sentence with respect to applications filed prior to January 1, 1970, except for transfers executed before November 30, 1970 or after July 1, 1971, shall not apply to transferees of the applications of the original applicants.

Voluntary area health planning agencies may extend, until July 1, 1972, the date upon which applicants, qualifying under the exception in this section, shall commence construction, if the voluntary area health planning agencies declare that good cause has been shown why such extension should be granted, provided that an applicant applying for such extension had, prior to January 1, 1970, received approval of a health planning association in the county wherein the applicant is located. Applicants receiving extension of the construction commencement date shall have on file with the State Department of Health a notarized affidavit from the building department having jurisdiction indicating that substantial progress on the approved project was attained by January 1, 1974, and have on file with the county recorder and State Department of Health a valid notice of construction completion indicating January 1, 1975, as

the completion date; except that the State Department of Health shall extend each of the foregoing dates by no more than a total of one year in the case of projects where good cause has been shown why such extension should be granted.

(a) For the purposes of this section, "substantial progress" is defined and evidenced as follows:

(1) For structures of three or fewer stories, completion of the foundations and footings; the structural frame; the mechanical, electrical, and plumbing rough-in; the rough flooring; the exterior walls and windows; and the finished roof.

(2) For structures of more than three stories, a contractor's schedule of work shall be filed with the State Department of Health by January 1, 1973. Every three months thereafter, until completion, evidence shall be submitted to the department that construction is progressing on that schedule.

(b) For the purposes of this section, construction of a project is deemed commenced on the date the applicant was so notified by the State Department of Health, if so notified, or on the date the applicant has completed not less than all of the following:

(1) Submission to the appropriate state agency of a written agreement executed between the applicant and a licensed general contractor to construct and complete the facility within a designated time schedule in accordance with final architectural plans and specifications approved by such agency.

(2) Obtaining such initial permits or approval for commencing work on the project as is customarily issued for projects of the scope of applicant by the governmental agency having jurisdiction over the construction.

(3) Completion of construction work on the project to such a degree as to justify and require a progress payment by the applicant to the general contractor under terms of the construction agreement.

SEC. 41.3. Section 14105.6 is added to the Welfare and Institutions Code, to read:

14105.6. No health facility licensed under the provisions of Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code shall be entitled to receive, or shall receive, any payment whatsoever from the director, or from any prepaid health plan, for any services rendered to any Medi-Cal program beneficiary if the health facility has commenced construction of a project after January 1, 1977, and the health facility has failed to obtain a certificate of need covering such project issued pursuant to Part 1.5 (commencing with Section 437) of Division 1 of the Health and Safety Code. Upon commencement of such a project, or as soon thereafter as possible, the director or the prepaid health plan shall notify the facility in writing of termination of all payments for any services rendered in any portion of the facility after 30 days from the date the notice is mailed.

For the purposes of this section, a "project" shall mean any project

for which a certificate of need is required pursuant to Part 1.5 (commencing with Section 437) of Division 1 of the Health and Safety Code.

SEC. 41.5. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 41.7. The changes in Part 1.5 (commencing with Section 437) of Division 1 of the Health and Safety Code and in Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code made by this act shall become operative on the effective date of this act; except that if regulations are not adopted pursuant to Section 437.6 within 90 days after the effective date of this act, Part 1.5 (commencing with Section 437), except Section 437.5, shall not be operative until the date upon which such regulations are filed with the Secretary of State.

SEC. 41.9. The Legislature finds and declares that the addition of Section 14105.6 of the Welfare and Institutions Code shall not be considered when interpreting Section 14105.5; and, further, that the addition of Section 14105.6 shall not be construed as indicating an intent to either change existing law or to restate such law without change, with respect to the question of whether a health facility which violated the terms of Section 14105.5 is entitled to any Medi-Cal reimbursement at all or whether it may continue to receive some proportionate payment for services rendered to Medi-Cal beneficiaries.

The Legislature further declares, however, that the addition of Section 14105.6 to the Welfare and Institutions Code is for the purpose of denying all Medi-Cal reimbursement to any health facility where such health facility has failed to obtain a certificate of need pursuant to Part 1.5 (commencing with Section 437) of Division 1 of the Health and Safety Code and that such a facility shall be entitled to no Medi-Cal payments of any kind, including payments which are less than or some proportion of the payment which would normally be received.

SEC. 42. The sum of five hundred thousand dollars ($500,000) is hereby appropriated, without regard to fiscal year, from the General Fund to the State Department of Health for allocation to area health planning agencies pursuant to Section 439.5 of the Health and Safety Code, as added by Section 32 of this act.

SEC. 43. The sum of seventy-five thousand dollars ($75,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to this act, provided that if federal funds are no longer available to offset all or part of such allocations and disbursements, such local agencies shall not be subject to the fees set forth in Section 438.2 or Section 438.12 of the

Health and Safety Code, or the health facility assessment set forth in Section 439 of the Health and Safety Code.

SEC. 44. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to insure that certain requirements relating to health facility construction or conversion continue without interruption until such time as P.L. 93-641 is implemented by state enabling legislation, and in order that area health planning agencies may continue to be funded without interruption, it is necessary that this act take effect immediately.

CHAPTER 855

An act to add Section 373 to the Education Code, relating to educational testing.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 373 is added to the Education Code, to read:

373. (a) The Department of Education shall report the test results of all state-mandated testing programs to the individual school districts by not later than September 15th following the testing.

(b) The district superintendent may publicly report the results of a state-mandated testing program as they affect the district at the first regularly scheduled meeting of the governing board of the district after the statewide results have been presented to the State Board of Education.

CHAPTER 856

An act to amend Section 8575 of, to add Sections 8573, 8574, and 8574.5 to, and to repeal Sections 8573 and 8574 of, the Education Code, relating to courses of study, and making an appropriation therefor.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature that pupils matriculating through the public school system acquire the knowledge, skills, and confidence required to function effectively in contemporary society.

The Legislature finds that high school graduation requirements are generally related to "seat time" and tied to college entrance requirements. The Legislature further finds that pupils currently graduating from the public schools may lack competence in essential communication and computation skills, and the confidence that they can cope successfully with a complex, contemporary society.

It is the intent and purpose of the Legislature, by the provisions of this act, to ensure the development of clearly defined proficiency standards in communication and computation skills for pupils graduating from public secondary schools. It is the purpose of this act to ensure early identification of pupils lacking competence in basic communication and computation skills, so that such pupils can be provided with repeated opportunities to achieve prescribed standards of proficiency. It is the further purpose of this act to provide students with opportunities to utilize community education resources and to test their abilities in a variety of educational settings.

SEC. 2. Section 8573 of the Education Code is repealed.

SEC. 3. Section 8573 is added to the Education Code, to read:

8573. The governing board of any school district maintaining a high school shall prescribe courses of study designed to provide the skills and knowledge required for adult life for pupils attending the schools within its school district. The governing board shall prescribe separate courses of study, including, but not limited to, a course of study designed to prepare prospective students for admission to state colleges and universities and a course of study for vocational training.

SEC. 4. Section 8574 of the Education Code is repealed.

SEC. 5. Section 8574 is added to the Education Code, to read:

8574. No pupil shall receive a diploma of graduation from high school who has not completed the course of study prescribed by the governing board. Requirements for graduation shall include:

(a) English.

(b) American history.

(c) American government.

(d) Mathematics.

(e) Science.

(f) Physical education, unless the pupil has been exempted pursuant to the provisions of this code.

(g) Such other subjects as may be prescribed.

The governing board, with the active involvement of parents, administrators, teachers, and students, shall adopt alternative means for students to complete the prescribed course of study which may include practical demonstration of skills and competencies, work experience or other outside school experience, interdisciplinary study, independent study, and credit earned at a postsecondary institution. Requirements for graduation and specified alternative

modes for completing the prescribed course of study shall be made available to students, parents, and the public.

SEC. 6. Section 8574.5 is added to the Education Code, to read:

8574.5. The governing board of any school district maintaining a junior or senior high school shall, by June 1, 1978, adopt standards of proficiency in basic skills for students attending schools within its school district. Governing boards maintaining junior high schools located within a high school district shall adopt those standards of proficiency in basic skills adopted by the high school district. Standards of proficiency shall include, but not necessarily be limited to, reading comprehension, writing, and computation skills and shall be such as will enable individual achievement and ability to be ascertained and evaluated. The governing board may use academic standards for graduation distributed by the State Board of Education pursuant to Section 8575 for this purpose. Subsequent to June 1980, no pupil shall receive a diploma of graduation from high school who has not met the standards of proficiency in basic skills prescribed by the governing board. The governing board may adopt differential standards of proficiency in basic skills for pupils with diagnosed learning disabilities.

The governing board shall take appropriate steps to ensure that individual pupil progress towards proficiency in basic skills is assessed during the regular instructional program at least one time during the seventh through ninth grade experience and at least two times during the 10th through 11th grade experience, provided that the progress of any pupil who demonstrates proficiency in basic skills need not be reassessed. The governing board may use performance indicators distributed by the State Board of Education pursuant to Section 8575 for the purpose of conducting such individual pupil assessments.

In the case of a pupil who does not meet district prescribed standards in basic skills, an appropriate school official shall arrange a conference between the pupil, the principal or the principal's designee, the parent or guardian and, whenever practicable, a teacher familiar with the pupil's progress to discuss the results of the individual pupil assessment and the need for instruction in basic skills. The pupil and the parent or guardian shall be requested, in writing, to attend such conference. Within five days of the time such written request is postmarked, the school shall make a reasonable effort to contact the parent or guardian by telephone to communicate directly the information contained in the written request.

Instruction in basic skills shall be provided for any student who does not meet established proficiency standards in basic skills and shall continue until the pupil has been given repeated opportunity to achieve prescribed standards of proficiency.

SEC. 7. Section 8575 of the Education Code is amended to read:

8575. The State Board of Education shall, by February 1, 1978, prepare, and distribute to each school district maintaining a junior

high school or a high school for its consideration, examples of minimum academic standards for graduation, including performance indicators. These examples shall be provided solely to assist each school district in the development of its own minimum academic standards for graduation and standards of proficiency in basic skills as required by Section 8574.5.

The State Board of Education shall, by February 1, 1978, prepare and distribute to each school district maintaining a junior high school or high school for its consideration, a framework for assessing pupil proficiency in reading comprehension, writing and computation skills. Such framework shall include a range of assessment items in each skill area, in order to enable a school district to select items consistent with standards of proficiency in basic skills adopted by the district governing board pursuant to Section 8574.5. The assessment framework shall be provided solely to assist each school district in the development of its own pupil assessments as required pursuant to Section 8474.5.

Nothing in this section shall be construed to authorize or require the State Board of Education to adopt statewide minimum academic standards for graduation from high school.

SEC. 7.5. Section 8575 of the Education Code is amended to read:

8575. (a) The State Board of Education shall, by April 1, 1977, prepare, and distribute to each school district maintaining a junior high school or high school for its consideration, examples of minimum academic standards for graduation including performance indicators. The Department of Education shall include in this distribution the criteria utilized in developing standards of competency in basic skills pursuant to subdivision (b) of Section 12603 and representative examples of items used to test the attainment of such standards. These examples shall be provided solely to assist each school district in the development of its own minimum academic standards for graduation and standards of proficiency in basic skills as required by Section 8574.5.

(b) The State Board of Education shall, by February 1, 1978, prepare and distribute to each school district maintaining a junior high school or high school for its consideration, a framework for assessing pupil proficiency in reading comprehension, writing and computation skills. Such framework shall include a range of assessment items in each skill area, in order to enable a school district to select items consistent with standards of proficiency in basic skills adopted by the district governing board pursuant to Section 8574.5. The assessment framework shall be provided solely to assist each school district in the development of its own pupil assessments as required pursuant to Section 8474.5.

(c) Nothing in this section shall be construed to authorize or require the State Board of Education to adopt statewide minimum academic standards for graduation from high school.

SEC. 8. The sum of one hundred seventy-five thousand dollars

($175,000) is hereby appropriated from the General Fund to the Department of Education for the purpose of preparing and distributing the framework for assessing pupil proficiency required by Section 8575 of the Education Code.

SEC. 9. Commencing with the 1978–79 fiscal year, the sum of two hundred twenty-four thousand dollars ($224,000) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them in notifying pupils and the parents and guardians thereof pursuant to Section 8574.5 of the Education Code.

SEC. 10. Except as provided in Section 9 of this act, and notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no additional reimbursement pursuant to this act nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

SEC. 11. It is the intent of the Legislature, if this bill and Assembly Bill No. 2725 are both chaptered and become effective January 1, 1977, both bills amend Section 8575 of the Education Code, and this bill is chaptered after Assembly Bill No. 2725, that Section 8575 be amended in the form set forth in Section 7.5 of this act. Therefore, Section 7.5 of this act shall become operative only if this bill and Assembly Bill No. 2725 are both chaptered and become effective January 1, 1977, both amend Section 8575, and this bill is chaptered after Assembly Bill No. 2725, in which case Section 7 of this act shall not become operative.

CHAPTER 857

An act to amend, add and repeal Section 4089.5 of the Business and Professions Code, relating to pharmacy.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 4089.5 of the Business and Professions Code is amended to read:

4089.5. The board may permit a person certified by the board to have had sufficient and equivalent education and experience in pharmacy, including at least two years' practical experience in pharmacy in a foreign country within the previous five years, to take the written and practical examination given pursuant to subdivision (d) of Section 4085.

This section shall be operative until June 30, 1979, and after that

date shall have no force or effect.

SEC. 2. Section 4089.5 is added to the Business and Professions Code, to read:

4089.5. A person shall be eligible to take the written and practical examination given pursuant to subdivision (d) of Section 4085 where the person furnishes documentary evidence satisfactory to the board that he meets all of the following:

(a) Is at least 18 years of age.

(b) Has graduated from a college of pharmacy recognized by the board, or has successfully completed in a foreign pharmacy school the courses established by the board as being equivalent to those required for domestic graduates.

(c) Has been admitted or licensed to practice pharmacy in the country wherein is located the institution which the applicant attended.

(d) Has had not less than 1,500 hours of practical experience in a pharmacy recognized by the board. The board shall determine the specific hours of experience required, not to exceed 3,000 hours, for the applicant based upon an evaluation of such applicant's previous training and experience.

The board shall register as pharmacists, and issue a certificate to, all applicants who meet the requirements of this section and successfully complete the written and practical examination.

This section shall be operative on and after July 1, 1979.

CHAPTER 858

An act to add Sections 17.5 and 17.6 to the San Diego County Flood Control District Act (Chapter 55 of the Statutes of 1966, First Extraordinary Session), relating to San Diego County Flood Control District.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 17.5 is added to the San Diego County Flood Control District Act (Chapter 55 of the Statutes of 1966, First Extraordinary Session), to read:

Sec. 17.5. (a) For the purposes of this section, the following words and terms shall be defined as follows:

(1) "Flood control or storm drainage facilities" means any system, natural or improved, the purpose of which is to convey flood or storm drainage waters, within or without district rights-of-way.

(2) "Benefit" includes, but is not limited to, the following:

(i) Any increase in the market value of the property.

(ii) The provision for accepting the burden from specific property

for discharging surface water onto servient property in a manner or quantity greater than would naturally flow because the dominant owner made some of his property impermeable.

(iii) Any adaptability of property to a superior or more profitable use.

(iv) Any alleviation of health and sanitation hazards accruing to particular property or of public property.

(v) Any reduction in the maintenance costs of particular property or of public property.

(vi) Any increase in convenience or reduction in inconvenience accruing to particular property owners, including the facilitation of access to and travel over streets, roads and highways.

(vii) Aesthetic, ecological, or recreational improvements accruing to particular property owners.

(b) The district, by ordinance, may fix an annual flood control or storm drainage charge to be collected each fiscal year in the district: or in any portion thereof to which any flood control or storm drainage system is or will be made available by the district.

(c) Revenues derived under this section shall be used for the acquisition, construction, reconstruction, maintenance, and operation of the flood control or storm drainage facilities or to reduce the principal of any bond indebtedness thereof.

(d) The ordinance fixing a charge shall be adopted by the board only after the adoption of a resolution setting forth the particular schedule or schedules of the charges proposed to be established by ordinance and after a hearing on such resolution. The secretary shall cause notice of a time and place of hearing thereon to be published, pursuant to Section 6066 of the Government Code, prior to the date set for hearing, in a newspaper of general circulation printed and published within the district if there is one, and if not, then in such paper printed and published in the county, and shall cause a notice in writing to be mailed, prior to the date set for hearing, to each person to whom a parcel of real property described in such charge is assessed on the last equalized assessment role. Such notice shall be mailed to the address shown on the last equalized assessment role or known to the secretary. At that time, stated in the notice, the board shall hear and consider all objections or protests, if any, to the resolution referred to in the notice and may continue the hearing from time to time. Upon the conclusion of the hearing, the board may adopt, revise, change, reduce, or modify a charge or overrule any and all objections. The board shall make a determination upon each assessment or charge as described in the resolution, which determination shall be final.

(e) The ordinance fixing a charge may establish schedules which vary the charges according to the benefit conferred by virtue of the availability of a flood control or drainage system to land.

(f) On or before August 15 of each fiscal year in which a charge is to be collected, the board shall furnish in writing to the board of supervisors and the county auditor a description of each parcel of

land within the district upon which a charge is to be levied and collected for the current fiscal year, together with the amount of charge affixed by the district on each parcel of land.

(g) The board shall direct that, at the time and in the manner required by law for levying of taxes for county purposes, the board of supervisors shall levy, in addition to any other tax it levies, the charge in the amounts for the respective parcels affixed by the board.

(h) All county officers charged with the duty of collecting taxes shall collect district charges with the regular tax payments to the county. Such charges shall be collected in the same form and manner as county taxes are collected and shall be paid to the district.

(i) Charges fixed by the district shall be a lien on all the property benefited thereby. Liens for such charges shall be of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

SEC. 2. Section 17.6 is added to the San Diego County Flood Control District Act (Chapter 55 of the Statutes of 1966, First Extraordinary Session), to read:

Sec. 17.6. Whenever, in the opinion of the board the public interest or convenience may require, it may order any work or improvement which it is authorized to undertake to be done in accordance with the procedure and in pursuance of the provisions of either the Improvement Act of 1911 [Division 7 (commencing with Section 5000) of the Streets and Highways Code] or the Municipal Improvement Act of 1913 [Division 12 (commencing with Section 10000) of the Streets and Highways Code], or the Improvement Bond Act of 1915 [Division 10 (commencing with Section 8500) of the Streets and Highways Code].

The following terms, as used in such improvement acts, have the following meanings:

(a) "City council," "council" or "legislative body" means the board of directors of the district.

(b) "City treasurer" or "treasurer" means the officer of the district who has charge of and makes payment of the district funds.

(c) "Clerk" or "city clerk" means the secretary of the district.

(d) "Council chambers" means the place where the regular meetings of the board of directors are held.

(e) "Mayor" means the chairman of the district.

(f) "Municipality" or "city" means the district.

(g) "Right-of-way" means any parcel of land in, on, under, or through which a right-of-way or easement has been granted to the district for any purpose.

(h) "Superintendent of streets," "street superintendent," or "city engineer" means the general manager of the district or any other person appointed by the board to perform such duties.

(i) "Tax collector" means the county tax collector.

(j) All other words and terms relating to municipal officers and matters refer to the corresponding officers of the district and matters

under this act.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because duties, obligations, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 859

An act to amend Section 15 of the Los Angeles County Flood Control Act (Chapter 755 of the Statutes of 1915), relating to the Los Angeles County Flood Control District.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 15 of the Los Angeles County Flood Control Act (Chapter 755, Statutes of 1915) is amended to read:

Sec. 15. All contracts for any improvement or unit of work, except as hereinafter provided, estimated to cost in excess of twenty-five thousand dollars ($25,000), shall be let to the lowest responsible bidder in the manner hereinafter provided. The said board of supervisors of said district shall advertise by five or more insertions in a daily newspaper of general circulation, or by two or more insertions in a weekly newspaper of general circulation, printed and published in said district, inviting sealed proposals for the construction of the improvement or work. The said board shall require the successful bidder or bidders to file with the board good and sufficient bonds, to be approved by the board, conditioned upon the faithful performance of the contract and upon the payment of all claims for labor and material in connection therewith, such bonds to contain the terms and conditions set forth in Chapter 7 (commencing with Section 3247) of Title 15 of Part 4 of Division 3 of the Civil Code and to be subject to the provisions of that chapter, and shall also have the right to reject any and all bids not suitable to the best interests of the district. In the event all proposals are rejected or no proposals are received pursuant to advertisement therefor, or the estimated cost of such work does not exceed the sum of ten thousand dollars ($10,000), or the work consists of channel protection, dam protection, temporary work, maintenance work, or of emergency work when necessary in order to protect life and property from impending flood damage, the board of supervisors may, without advertising for bids therefor, have said work done by force account. Emergency work, found by the board of supervisors to be necessary in order to protect life and property from impending

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flood damage, may also be done by negotiated contract without advertising for bids therefor.

It shall be the duty of the purchasing agent of Los Angeles County, and ex officio the purchasing agent of Los Angeles County Flood Control District, unless otherwise ordered by the board of supervisors, to purchase for the district all materials, supplies, equipment and other personal property necessary to carry out the purposes of this act, except emergency purchases, and to engage independent contractors to perform sundry services for the district, where the aggregate cost of such work, exclusive of materials to be furnished by the district, does not exceed twenty-five thousand dollars ($25,000). Said purchasing agent shall make all such purchases and contracts upon proper requisition therefor, signed by the chief engineer of the district.

Any improvement for which bonds are voted under the provisions of this act, shall be made in conformity with the report, plans, specifications and map theretofore adopted, as above specified, unless the doing of any such work described in said report shall be prohibited by law, or be rendered contrary to the best interests of said district by some change of conditions in relation thereto, in which event said board of supervisors may, by vote of four-fifths of all the members thereof, order necessary changes made in such proposed work or improvements, and may cause new plans and specifications to be made and adopted therefor.

Any work or improvement provided for in this act may be located, constructed and maintained in, along or across any public road or highway in the County of Los Angeles, in such manner as to afford security for life and property, but the said board of supervisors of said district shall restore or cause to be restored such road or highway to its former state as near as may be, so as not to impair its usefulness.

The plans and specifications for any work proposed to be done, or improvements to be made, under this act, in any municipality in said district shall first be approved by the legislative body of such municipality before the commencement of such work or improvements, and before any contract shall be let therefor; provided, that in the event such legislative body shall refuse or neglect to approve the said plans and specifications for such work or improvement within 30 days after being requested by said board of supervisors so to do, then said board of supervisors shall omit the doing of such work or making of such improvements within such municipality, and such omission shall not affect the validity of its proceedings under this act, and the funds which were to be expended for such proposed work or improvement in said municipality may be expended elsewhere by said board of supervisors for carrying out the purposes of this act.

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CHAPTER 860

An act to amend Sections 190.3, 190.9, 1120, and 1138.13 of the Probate Code, relating to testamentary trusts.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 190.3 of the Probate Code is amended to read:

190.3. A disclaimer to be effective shall be filed within a reasonable time after the person able to disclaim acquires knowledge of the interest.

(a) Except as otherwise provided in subsection (c), a disclaimer shall be conclusively presumed to have been filed within a reasonable time if filed as follows:

(1) In case of interests created by will, within nine months after the death of the person creating the interest, or within nine months after the interest becomes indefeasibly vested, whichever occurs later. Interests resulting from the exercise or nonexercise of a testamentary power of appointment shall be deemed created by the donee of the power for purposes of this chapter.

(2) In case of interests arising from intestate succession, within nine months after the death of the person dying intestate.

(3) In case of interests created by inter vivos trusts, within nine months after the interest becomes indefeasibly vested. Interests resulting from the exercise or nonexercise of a nontestamentary power of appointment shall be deemed created by the donee of the power for purposes of this chapter.

(4) In other cases, within nine months after the first knowledge of the interest is obtained by a person able to disclaim, or within nine months after the interest becomes indefeasibly vested, whichever occurs later.

(b) If the disclaimer is not filed within the time set forth in subsection (a), the disclaimant shall have the burden to establish the disclaimer was filed within a reasonable time after he acquired knowledge of the interest.

(c) A disclaimer shall be conclusively presumed not to have been filed within a reasonable time after the person able to disclaim acquired knowledge of the interest if:

(1) An interest in the property which is in whole or in part sought to be disclaimed has been acquired by a purchaser or encumbrancer for value subsequent to or concurrently with the creation of the interest sought to be disclaimed and prior to such disclaimer, and

(2) One year has elapsed from the death of the person buying intestate or creating by will the interest sought to be disclaimed, or from the date of the transfer by inter vivos gift, whether outright or

in trust.

SEC. 2. Section 190.9 of the Probate Code is amended to read:

190.9. Any interest created prior to the effective date of this chapter which has not been accepted, may be disclaimed on or after August 16, 1972, in the manner provided herein; provided, however, that no interest which has arisen prior to the effective date of this chapter in any person other than the beneficiary, shall be destroyed or diminished by any action of the disclaimant taken pursuant to this chapter.

SEC. 3. Section 1120 of the Probate Code is amended to read:

1120. (a) Except as otherwise provided in subdivision (c), when a trust created by a will continues after distribution, the superior court shall not lose jurisdiction of the estate by final distribution, but shall retain jurisdiction for the purpose of determining to whom the property shall pass and be delivered upon final or partial termination of the trust, to the extent that such determination is not concluded by the decree of distribution, of settling the accounts and passing upon the acts of the trustee, of authorizing the trustee to accept additions to the trust from sources other than the estate of the decedent, and for the other purposes hereinafter set forth. Any trustee appointed by will, or appointed to execute a trust created by will, may, from time to time pending the execution of his trust, or at the termination thereof, render for settlement his accounts and report his acts as such trustee, before the superior court in which the will was probated. For that purpose, the trustee shall present to the court his verified account and report, setting forth his accounts in detail, reporting his acts as trustee, and showing the condition of the trust estate. If the trustee dies or becomes incompetent, such account and report shall be presented by the trustee's executor, administrator, guardian or conservator. In the event the trustee dies or becomes incompetent, and there is no executor, administrator, guardian, or conservator appointed for the trustee's estate, or in the event the trustee absconds, the court may compel the attorney for such deceased, incompetent, or absconding trustee to present such account and report to the extent that the attorney has information or records available for that purpose. The account and report of the attorney need not be verified. A fee shall be allowed to the attorney by the court for this service.

The trustee may also petition such court, from time to time, for instructions as to the administration of the trust for authority to accept additions to the trust from any source or sources other than the estate of the decedent, and for authority to exercise the powers authorized by Section 1120.2 of this code. The court may hear any such petition and instruct or authorize the trustee by order rendered before or after any distribution to him. When the trustee files any such petition before any distribution of the estate to him, he shall, in addition to any other notice required, cause notice of the hearing to be mailed to the personal representative and shall further cause notice of the hearing to be mailed to all persons, including heirs,

legatees and devisees, at their last known address, to whom the court may order such notice given, and shall, upon filing the petition and before giving notice thereof, secure from the court an order designating the persons in addition to the personal representative and the beneficiaries to whom the court requires that notice be given, or an order that notice to the personal representative and the beneficiaries is the only notice that shall be required.

When it appears from the allegations of the petition that the trustee seeks instructions to exercise a power not conferred upon him or seeks authority to exercise the powers authorized by Section 1120.2, the petition shall set forth the particulars of and the necessity for the action sought to be taken.

The clerk shall set the hearing upon the account and report or petition for settlement or instructions and give notice thereof for the period and in the manner required by Section 1200 of this code. The trustee shall cause notice of the hearing to be mailed to the beneficiaries, including all persons in being who shall or may participate in the corpus or income of the trust, at their last known addresses, as provided in said Section 1200, whether they have requested special notice or given notice of appearance or not. In addition to the above notice, when the petition relates to the exercise of a power not conferred or seeks authority to exercise the powers authorized by Section 1120.2, a copy of the petition shall be attached to and mailed with copies of the notice which are mailed and the court or judge shall, at least 10 days before such return day, appoint a suitable person who shall appear and act as guardian ad litem of any person or persons of a designated class, who are not ascertained, or who are not in being, and who may become beneficiaries or may so participate in the trust. None of the provisions of Section 373 of the Code of Civil Procedure shall apply to such appointment.

(b) In addition to the provisions of subdivision (a), the personal representative of the decedent's estate, prior to final distribution, or the trustee, beneficiary, or remainderman, before or after final distribution, may petition the superior court to amend or conform the trust provisions of the decedent's will in the manner required to qualify the decedent's estate for the charitable estate tax deduction permitted by federal law. Such petition may include a request to add to the trust provisions of the decedent's will the mandatory governing instrument requirements for a charitable remainder trust as required by final regulations and rulings of the United States Internal Revenue Service. Notice of such petition shall be given to the Attorney General. No amendment or conformation may be ordered by the court without having first received written agreement to the proposed changes or disclaimer of interest from all interested parties in the trust. The entry into such agreement shall not be construed to be a contest under any provisions of the will prohibiting the same. The existence of a spendthrift or similar protective provision in the trust shall not make this subdivision inapplicable to such trust.

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(c) Unless the testator provides otherwise in the will, a trust created by a will executed on or after July 1, 1977, shall not be subject to the continuing jurisdiction of the superior court, however Article 2 (commencing with Section 1138) of this chapter shall be applicable to the trust to the extent that the will or the article does not provide otherwise.

SEC. 4. Section 1138.13 of the Probate Code is amended to read:

1138.13. This article shall apply to all trusts created prior to, or on, or after the operative date of this article. However, this article shall not apply to any trust the terms and provisions of which expressly or by necessary implication make this article inapplicable to such trust.

CHAPTER 861

An act to amend Section 14311.5 of the Government Code and Section 1771 of the Labor Code, relating to public works.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 14311.5 of the Government Code is amended to read:

14311.5. In all state projects where federal funds are involved, no bid submitted or contract thereafter awarded shall be invalidated by the failure of the bidder or contractor to be properly licensed in accordance with the laws of this state, nor shall any such contractor be denied payment under any such contract because of such failure; provided, however, that the first payment for work or material under such contract shall not be made by the State Controller unless and until the Registrar of Contractors certifies to him that the records of the Contractors State License Board indicate that such contractor was or became properly licensed between the time of bid opening and the making of the certification. Any bidder or contractor not so licensed shall be subject to all legal penalties imposed by such laws, including but not limited to any appropriate disciplinary action by the Contractors State License Board. The department shall include a statement to that effect in the standard form of prequalification questionnaire and financial statement.

SEC. 2. Section 1771 of the Labor Code is amended to read:

1771. Except for public works projects of five hundred dollars ($500) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workmen employed on public works.

This section is applicable only to work performed under contract, and is not applicable to work carried out by a public agency with its own forces. This section is applicable to contracts let for maintenance work.

CHAPTER 862

An act to add Section 75025.1 to the Government Code, relating to the Judges' Retirement Law.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 75025.1 is added to the Government Code, to read:

75025.1. A judge whose service is discontinued by the expiration of his term of office and who is otherwise eligible to retire under this chapter may file the notice of retirement provided for in Section 75025 or an election to retire under Section 75033.5 within 90 days after such termination, which notice or election shall be effective as though filed at the close of his term.

CHAPTER 863

An act to amend Section 11251 of the Education Code, relating to public schools.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11251 of the Education Code is amended to read:

11251. (a) In computing the average daily attendance of a school district, there shall be included only the attendance of pupils while engaged in educational activities required of such pupils and under the immediate supervision and control of an employee of the district who possessed a valid certification document, registered as required by law, authorizing him to render service in the capacity and during the period in which he served. For the purposes of computing the average daily attendance of students enrolled in kindergarten or any of grades 1 through 12 in a school district, attendance shall also include pupil attendance and participation in an independent study program under the coordination, evaluation, and general, but not

immediate, supervision of an employee of the district who possessed a valid certification document. The nature, manner, and place of conducting any independent study program shall be determined by the school district pursuant to rules and regulations adopted by the State Board of Education and shall be an integral part of any decision pursuant to Section 10605.1 to suspend the expulsion action of the board. The school district shall ensure that the components of each individual study program for each individual pupil shall be set out in writing. A pupil enrolled in an independent study program shall not be credited with more than one day of attendance in any calendar day, and shall be enrolled in a school program for which Section 11005, 11008, or 11052 provides for the minimum schoolday. For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in approved coordinated instruction systems programs of instruction using television, computer-assisted instruction, automated audiovisual systems, programmed learning materials, and other similar teaching techniques, under the coordination and evaluation of an employee who possessed an appropriate certification document, but not requiring the immediate supervision of such employee. Approved coordinated instruction systems programs of instruction are those recommended by the governing board of the district maintaining the community college and approved by the Board of Governors of the California Community Colleges. One student contact hour is to be counted for each unit of coordinated instruction systems credit in which a student is enrolled during any census period. The state aid apportionment made by the board of governors shall not be greater than one-half the current costs of conducting approved coordinated instruction systems programs of instruction. Coordinated instruction systems programs of instruction shall be conducted by employees of the district who possess valid credentials or certification documents, who shall determine the need for immediate supervision of the programs of instruction. Such employees shall evaluate individual student progress and assign appropriate grades for students enrolled in classes taught by the coordinated instruction systems programs of instruction.

(b) For the purpose of work experience education programs in the secondary schools meeting the standards of the California State Plan for Vocational Education, "immediate supervision" of off-campus work training stations means pupil participation in on-the-job training as outlined under a training agreement, coordinated by the school district under a state-approved plan, wherein the employer and certificated school personnel share the responsibility for on-the-job supervision. The pupil-teacher ratio in any such work experience program shall not exceed 125 students per full-time equivalent certificated coordinator. A pupil enrolled in such work experience program shall not be credited with more than one day of attendance in any calendar day, and shall be a full-time

student enrolled in regular classes meeting the requirements set forth in Section 11052 or 11055.

(c) For purposes of computing the average daily attendance of a community college district, attendance shall also include student attendance and participation in in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations that conform to all apportionment attendance and course of study requirements otherwise imposed by law; provided that such courses are fully open to the enrollment and participation of the public pursuant to subdivision (2) of Section 5753; and provided further, that prerequisites for such courses shall not be established or construed so as to prevent academically qualified persons not employed by agencies in the criminal justice system from enrolling in and attending such courses.

(d) In the event that certain in-service training courses are restricted to employees of police, fire, corrections, and other criminal justice agencies, attendance for such restricted courses shall not be reported for purposes either of state apportionments or district revenue limits computed pursuant to Sections 20935 and 20937. Notwithstanding the provisions of Section 5753, a community college district which restricts enrollment in such in-service training courses may contract with any public agency to provide compensation for the cost of conducting such courses.

(e) Positive records of student admissions and daily attendance in all in-service training courses in the areas of police, fire, corrections, and other criminal justice system occupations, as described in subdivision (c), shall be maintained by each district and shall be separately reported annually to the Chancellor's office of the California Community Colleges.

(f) For the purposes of the rehabilitative schools, classes, or programs described in Section 10605.1, "immediate supervision" in such schools, classes or programs means pupil participation in such programs wherein the person to whom the pupil is required to report for training, counseling, tutoring, or other prescribed activity shares the responsibility for the supervision of the pupils in the rehabilitative activities with certificated personnel of the district. Such programs shall be approved by the Department of Education and certified by the county superintendent of schools.

A pupil enrolled in a rehabilitative school, class, or program shall not be credited with more than one day of attendance in any calendar day.

CHAPTER 864

An act to amend Sections 12500 and 12525 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 12500 of the Welfare and Institutions Code is amended to read:

12500. The purpose of this chapter is to provide payment to meet the needs of recipients under Chapter 3 (commencing with Section 12000) of this part under emergency or special circumstances in the event that the federal government makes no provision for such payment or in the event that such payment from the federal government is lost, stolen or likely to be delayed beyond four days.

SEC. 2. Section 12525 of the Welfare and Institutions Code is amended to read:

12525. If the regular monthly check of a recipient under Chapter 3 (commencing with Section 12000) of this part is not received and the recipient does not receive a replacement of such check within four days after the normal delivery date of the check, excluding any days mail is normally not delivered, the county shall immediately loan the recipient the amount of his last monthly payment up to the amount of two hundred dollars ($200) until his check is received. The district attorney or other civil legal officer of the county may maintain an action to enforce repayment of the loan.

The county shall prepare the affidavit for the recipient.

CHAPTER 865

An act to repeal Section 23701r of, and to add Section 23701r to, the Revenue and Taxation Code, relating to taxation, tax levy, to take effect immediately.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 23701r of the Revenue and Taxation Code is repealed.

SEC. 2. Section 23701r is added to the Revenue and Taxation Code, to read:

23701r. (a) A political organization. However, a political organization shall be subject to tax under this part with respect to its "political organization taxable income" and such income shall be

subject to tax as provided by Chapter 3 (commencing with Section 23501) of this part.

(b) For purposes of this section, the political organization taxable income of any organization for any taxable year is an amount equal to the excess over one hundred dollars ($100) (if any) of—

(1) The gross income for the taxable year (excluding any exempt function income), over

(2) The deductions allowed by this part which are directly connected with the production of the gross income (excluding exempt function income).

(c) For purposes of this section, the term "exempt function income" means any amount received as—

(1) A contribution of money or other property,

(2) Membership dues, a membership fee or assessment from a member of the political organization, or

(3) Proceeds from a political fundraising or entertainment event, or proceeds from the sale of political campaign materials, which are not received in the ordinary course of any trade or business,

to the extent such amount is segregated for use only for the exempt function of the political organization.

(d) For purposes of this part, if any political organization—

(1) Contributes any amount to or for the use of any political organization which is treated as exempt from tax under subdivision (a) of this section,

(2) Contributes any amount to or for the use of any organization described in paragraph (1) or (2) of Section 509(a) of the Internal Revenue Code of 1954, which is exempt from tax under Section 23701, or

(3) Deposits any amount in the General Fund of the Treasury of the United States or in the General Fund of any state or local government,

such amount shall be treated as an amount not diverted for the personal use of the candidate or any other person. No deduction shall be allowed under this part for the contribution or deposit of any amount described in the preceding sentence.

(e) For purposes of this section—

(1) The term "political organization" means a party, committee, association, fund, (including the trust of an individual candidate) or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function.

(2) The term "exempt function" means the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization, or the election of Presidential or Vice Presidential electors, whether or not such individual or electors are selected, nominated, elected, or appointed.

The term "exempt function" also includes influencing or attempting to influence legislation or the qualification or passage of any measure, initiative, referendum or recall procedure in a local, state or federal election process.

(3) The term "contributions" has the meaning given to such term by paragraph (2) of subdivision (b) of Section 24434.

(4) The term "expenditures" has the meaning given to such term by paragraph (3) of subdivision (b) of Section 24434.

(f) (1) If an organization described in Sections 23701a through 23701p (except 23701d), or Section 23701s which is exempt from tax under Section 23701 expends any amount during the taxable year directly (or through another organization) for an exempt function (within the meaning of paragraph (2) of subdivision (e)), then, notwithstanding any other provision of law, there shall be included in the gross income of such organization for the taxable year, and shall be subject to tax under subdivision (a) as if it constituted political organization taxable income, an amount equal to the lesser of—

(A) The net investment income of such organization for the taxable year, or

(B) The aggregate amount so expended during the taxable year for such an exempt function.

(2) For purposes of this subdivision, the term "net investment income" means the excess of—

(A) The gross amount of income from interest, dividends, rents, and royalties, plus the excess (if any) of gains from the sale or exchange of assets over the losses from the sale or exchange of assets, over

(B) The deductions allowed by this part which are directly connected with the production of the income referred to in subparagraph (A).

For purposes of the preceding sentence, there shall not be taken into account items taken into account for purposes of the tax imposed by Section 23731 (relating to tax on unrelated business income).

(3) For purposes of this subdivision and paragraph (1) of subdivision (e), a separate segregated fund (within the meaning of Section 610 of Title 18 of the United States Code or of any similar state statute, or within the meaning of any state statute which permits the segregation of dues money for exempt functions, within the meaning of paragraph (2) of subdivision (e)) which is maintained by an organization described in Sections 23701a through 23701p or Section 23701s which is exempt from tax under Section 23701 shall be treated as a separate organization.

(g) (1) For purposes of this section, a fund established and maintained by an individual who holds, has been elected to, or is a candidate (within the meaning of Section 41(c)(2) of the Internal Revenue Code) for nomination or election to, any federal, state, or local elective public office for use by such individual exclusively for the preparation and circulation of such individual's newsletter shall,

except as provided in paragraph (2), be treated as if such fund constituted a political organization.

(2) In the case of any fund described in paragraph (1) the exempt function shall be only the preparation and circulation of the newsletter.

(h) The requirements set forth in subdivisions (a), (b) and (c) of Section 23701 shall not apply to a political organization or newsletter fund described in this section. However, in the case of a corporation incorporated or organized in this state or qualified to do business in this state, such corporation shall either pay the minimum tax provided in Section 23153 or obtain a certificate of exemption from the Franchise Tax Board before the corporation files with the Secretary of State its articles of incorporation or a duly certified copy thereof.

(i) The requirements set forth in Section 23772 or Section 23774 shall not apply to a political organization or newsletter fund. Further, the requirements set forth in Sections 18405, 18405.1 and 25401 shall not apply to a political organization or newsletter fund described in this section, except that if it has political organization taxable income for any taxable year, the political organization shall be required to file income tax returns or statements as determined by the Franchise Tax Board under Chapter 3 of this part.

SEC. 3. This act is a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall be applied with respect to taxable years beginning on or after January 1, 1976.

CHAPTER 866

An act to amend Section 10953 of the Education Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 10953 of the Education Code is amended to read:

10953. (a) The total days of attendance of a pupil upon the schools and classes maintained by a school district, or schools or classes maintained by the county superintendent of schools during the fiscal year shall be the number of days school was actually taught for not less than the minimum schooldays during the fiscal year less the sum of his absences.

(b) The absence of a pupil from school or class shall not be deemed an absence in computing the attendance of a pupil if such

absence was:

(1) Due to his illness, or

(2) Due to quarantine under the direction of a county or city health officer, or

(3) For the purpose of having medical, dental, optometrical, or chiropractic services rendered, or

(4) For the purpose of attending the funeral services of a member of his immediate family, so long as such absence is not more than one day if the service is conducted in California and not more than three days if the service is conducted outside California, or

(5) For the purpose of jury duty in the manner provided for by law.

"Immediate family," as used in this subdivision, has the same meaning as that set forth in the last sentence of Section 13651.4 except that references therein to "employee" shall be deemed to be references to "pupil."

The provisions of this subdivision shall not apply in the case of pupils attending summer school, adult schools, and classes, or regional occupational centers and programs other than pupils concurrently enrolled in a regular high school program and a regional occupational center or program.

(c) The total days of attendance of a student in a regular full-time day community college during the fiscal year shall be the number of days actually taught for not less than the minimum college days during the fiscal year.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of this act pertaining to chiropractic care for students may be made applicable to student absences occurring during the 1976–77 school year, it is necessary for this act to go into immediate effect.

CHAPTER 867

An act to amend Section 25505.4 of the Education Code, relating to community colleges.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 25505.4 of the Education Code is amended to read:

25505.4. (a) An interdistrict attendance agreement may be entered into between two districts specifying the terms and

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conditions under which district residents of one district may attend a community college in the other district. The agreement may be for any period agreed upon but for not less than one year.

(b) Tuition charges shall be not less than the apportionments provided by the state to the district of attendance because of attendance of students under the agreement nor shall such charges be more than would be computed as specified in subdivision (a) of Section 20201.

(c) A charge for use of buildings and equipment in the amount of three hundred dollars ($300) for 1976–77, two hundred dollars ($200) for 1977–78, and one hundred dollars ($100) for 1978–79 may be added to the amount computed pursuant to subdivision (a) of Section 20201. No charge may be made after 1978–79.

(d) If either district is within the first three years of its existence and has not acquired facilities from a preceding district, the charge for use of buildings and equipment specified in subdivision (c) shall not be charged to either district.

Interdistrict agreements calling for the payment of charges for the use of buildings and equipment which were in effect prior to July 1, 1976, may remain in effect, and may be renegotiated.

CHAPTER 868

An act to amend Section 3 of Chapter 1378 of the Statutes of 1965, relating to the Commission on the Status of Women.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3 of Chapter 1378 of the Statutes of 1965 is amended to read:

Sec. 3. (a) Public members of the commission shall receive fifty dollars ($50) per day per diem while on official business of the commission, not to exceed 12 days per year. Each member of the commission shall be entitled to receive actual necessary expenses while on official business of the commission.

(b) The commission shall select annually from its membership, a chairperson and vice chairperson.

CHAPTER 869

An act to add Section 55.1 to the Civil Code, Section 4458 to the Government Code, and Section 19958.5 to the Health and Safety Code, relating to the Department of Rehabilitation.

[Approved by Governor September 9, 1976. Filed with Secretary of State September 10, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 55.1 is added to the Civil Code, to read:

55.1. The district attorney, the city attorney, the Department of Rehabilitation acting through the Attorney General, or the Attorney General may bring an action to enjoin any violation of Section 54 or 54.1.

SEC. 2. Section 4458 is added to the Government Code, to read:

4458. The district attorney, the city attorney, or the Attorney General may bring an action to enjoin a violation of this chapter.

SEC. 3. Section 19958.5 is added to the Health and Safety Code, to read:

19958.5. The district attorney, the city attorney, the Department of Rehabilitation acting through the Attorney General, or the Attorney General may bring an action to enjoin a violation of this part.

CHAPTER 870

An act to add Sections 4143 and 4144 to the Public Resources Code, relating to fire prevention and control.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 4143 is added to the Public Resources Code, to read:

4143. The Legislature hereby finds and declares that the maintenance of the economic well-being of the state and the public health and safety require that the state, through the division, obtain full utilization of all equipment, personnel, and buildings under the jurisdiction of the State Forester. In order to obtain these benefits, the State Forester, in accordance with policy determined by the board, may provide personnel for and operate such fire stations, statewide, as he deems necessary to provide the best possible fire protection. Personnel or equipment shall not be assigned to any location or assigned pursuant to Section 4144 if such an assignment would not meet policy and standards established by the board. Such

standards shall be designed to assure that the striking force and efficiency of the division in its primary mission of wildland fire protection will not be reduced or impaired. Such policy and standards shall be designed to assure that the division will not need any additional funds to operate its programs.

The normal assignment of fire resources of the division to southern California during periods of critical fire weather conditions or during major wildland fires shall not be impaired and shall receive priority over agreements made with specified counties pursuant to Section 4144.

SEC. 2. Section 4144 is added to the Public Resources Code, to read:

4144. Notwithstanding the provisions of Section 4142, the State Forester shall enter into a cooperative agreement with any county with a population of 100,000 or less, when any such county so requests, for the purpose of preventing and suppressing forest fires or other fires within the county, upon such terms and under such conditions as are mutually determined by the parties to be necessary or desirable to accomplish such purpose. Such cooperative agreement shall provide, in a reasonable manner, for the efficient utilization of necessary fire prevention and suppression related equipment, personnel, and buildings under the jurisdiction of the State Forester located in the county during that period of the year commonly designated as the "nonfire season". Such equipment, personnel, and buildings shall be limited to those owned or leased by the state, or their replacements, and to such equipment, personnel, and buildings used during the fire season to protect state responsibility areas. Whenever the cooperative agreement provides for the employment of personnel during the "nonfire season" who would be in addition to the personnel required for the necessary operation and maintenance, during the "nonfire season," of equipment and buildings under the jurisdiction of the State Forester, the full salaries and all benefits of such additional personnel shall be apportioned as costs to the county. The cooperative agreement shall also provide for a cost to the county and the state that reasonably reflects the cost apportionment between the county and the state pursuant to a cooperative agreement entered into by and between the State Forester and the county on or before June 30, 1972, pursuant to Section 4142, except that the nonfire mission salary rates for state personnel shall not be included in determining such cost apportionment, or, if the county has not so entered into such prior cooperative agreement, the State Forester shall use the cost apportionment figures available to him from any other county pursuant to this section. Any salary rates above the nonfire mission rate, including the difference between fire mission rate and nonfire mission rate total overtime pay at either regular or premium rate holiday pay, will be apportioned as costs to the county.

The State Forester shall establish a three-year pilot program to implement the provisions of this section. Upon the completion of

such three-year pilot program, the department shall submit a report to the Legislature on the cost and effectiveness of the program.

These provisions are necessary because sparsely populated rural counties lack the sufficient tax base to provide the necessary firefighting resources for year-round fire protection, and it is the intent of the Legislature that, pursuant to this section, fire protection will be provided until such time as a county has an adequate tax base to support its own fire protection.

CHAPTER 871

An act to repeal Section 29532.5 of the Government Code, and to amend Sections 120051.5, 120052, and 120355 of, and to add Section 120105.5 to, the Public Utilities Code, relating to transportation.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 29532.5 of the Government Code is repealed.

SEC. 2. Section 120051.5 of the Public Utilities Code is amended to read:

120051.5. (a) The County of San Diego Board of Supervisors shall appoint any other county supervisor who qualifies for appointment pursuant to Section 120051 to serve as an alternate member of the transit development board.

(b) The Mayor of the City of San Diego shall appoint a member of the City Council of the City of San Diego not already appointed pursuant to subdivision (c) of Section 120050 or subdivision (c) of this section to serve as an alternate member of the transit development board.

(c) The City Council of the City of San Diego shall appoint a member of the city council not already appointed pursuant to subdivision (c) of Section 120050 or subdivision (b) of this section to serve as an alternate member of the transit development board for any one of the members appointed by the city council to the transit development board.

(d) The city councils specified in subdivision (d) of Section 120050 shall jointly appoint a member of their respective city councils not already appointed pursuant to that subdivision to serve as an alternate member of the transit development board.

(e) The city councils specified in subdivision (e) of Section 120050 shall jointly appoint a member of their respective city councils not already appointed pursuant to that subdivision to serve as an alternate member of the transit development board.

(f) The alternate members may not vote on adoption of any plan

or annual budget.

SEC. 3. Section 120052 of the Public Utilities Code is amended to read:

120052. The San Diego Metropolitan Transit Development Board shall consist of the following areas:

(a) The Cities of Chula Vista, El Cajon, Imperial Beach, La Mesa, National City, and San Diego.

(b) Census tracts 30.02, 31.06, 32.03, 32.04, 32.05, 100.00, 100.01, 123.00, 131.01, 132.01, 132.02, 133.04, 133.05, 134.01, 134.02, 135.01, 135.02, 136.01, 136.02, 137.00, 138.00, 139.01, 139.02, 139.03, 140.01, 140.02, 141.00, 142.00, 143.00, 144.00, 145.00, 146.00, 149.00, 152.00, 153.02, 154.01, 154.02, 156.00, 162.02, 164.01, 164.02, and 165.00, as set forth in the 1970 decennial census maps for the State of California on file with the Bureau of the Census, Department of Commerce, Washington, D.C.

(c) All the unincorporated area of the County of San Diego surrounded by the cities specified in subdivision (a) and the census tracts specified in subdivision (b).

SEC. 4. Section 120105.5 is added to the Public Utilities Code, to read:

120105.5. The board shall appoint a general manager with experience in the management, planning, and development of urban mass transportation systems.

SEC. 5. Section 120355 of the Public Utilities Code is amended to read:

120355. The board shall take all action necessary to obtain the maximum amount of funding available pursuant to Section 1602 of Title 49 of the United States Code.

No other public entity in the area under the jurisdiction of the board shall file application for such funds for exclusive public mass transit guideway purposes. Any project of such other public entity funded by such funds shall be in conformance with the transportation improvement program of the board.

CHAPTER 872

An act to amend Section 1774.5 of the Government Code, relating to appointments by the Governor.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1774.5 of the Government Code is amended to read:

1774.5. Whenever the appointment by the Governor of a person to a public office is subject to confirmation by the Senate, and the

Senate refuses to confirm the appointment within the applicable period described in Section 1774, such person may serve in that position only for 60 days after the Senate's refusal or until the applicable date specified in Section 1774, whichever first occurs, and may not be granted an interim appointment to the same office for which the Senate refused to confirm him. If he is holding that office when such applicable period expires, the office shall become vacant at that time, and he shall not be eligible to continue to discharge the duties of the office notwithstanding the provisions of Section 1302, and no warrant shall be drawn by the State Controller for the payment of any salary or expenses of such person attributable to the discharge of the duties of the office after such time.

CHAPTER 873

An act to add and repeal Chapter 8 (commencing with Section 17150) of Part 1 of Division 9 of the Food and Agricultural Code, relating to fences.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 8 (commencing with Section 17150) is added to Part 1 of Division 9 of the Food and Agricultural Code, to read:

CHAPTER 8. ELECTRIFIED FENCES

17150. The Legislature finds and declares that improperly designed and installed electrified fences have caused injuries and in some instances have resulted in the deaths of persons, particularly children, coming into contact with the conductive elements thereof. In order to prevent further such accidents, it is the intent of the Legislature in enacting this chapter to provide for the study and development of safety standards for electrified fences.

17151. As used in this chapter, "electrified fence" means any fence and appurtenant devices used in animal control, including a fence consisting of a single strand of wire supported by posts or other fixtures, which has an electrical charge and which is so designed or placed that a person or animal coming into contact with the conductive element of the fence receives an electrical shock.

17152. The Department of Food and Agriculture, in consultation with the Department of Industrial Relations, shall submit to the Legislature by July 1, 1977, recommendations regarding minimum standards of safety for electrified fences to be offered for sale, sold, installed, or used in this state. Such standards shall at least prescribe

the maximum force or duration, or both the force and duration, of an electrical shock that such fences may be allowed to produce, so as to prevent serious injury to persons of normal health who accidentally come into contact with such a fence.

17153. The provisions of this chapter shall not be construed to preclude regulation of electrified fences by cities and counties, including, but not limited to, requiring the installation or use of electrified fences under permit.

17154. This chapter shall remain in effect only until January 1, 1979, and as of such date is repealed.

CHAPTER 874

An act relating to the Western Regional Education Compact, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The California Postsecondary Education Commission shall, in consultation with the Legislative Analyst, on or before January 1, 1977, report to the Legislature on the costs and benefits of California's membership in the Western Regional Education Compact and on the desirability of further participation in programs sponsored by the Western Interstate Commission for Higher Education (WICHE). The report at a minimum shall include an analysis of the following issues:

(a) The costs and benefits to California from participation in WICHE programs.

(b) A study of the program administration costs and salary levels of the WICHE and a comparison of those similar organizations.

(c) The extent to which California could participate in WICHE programs without being a member of the compact.

(d) The possibility that California could conduct programs similar to WICHE programs without assistance from WICHE.

(e) The costs and benefits to California of WICHE's student exchange program and the impact on California graduate schools in terms of revenues and possible displacement of California resident students.

(f) The impact of WICHE programs in (1) stimulating new ideas and programs in California colleges, (2) increasing interinstitutional cooperation among California colleges, (3) increasing or decreasing the availability of federal and private grants for California colleges, and (4) improving instructional programs within California colleges.

(g) WICHE's impact in increasing interstate cooperation, and the

benefits derived by California from such cooperative activities and programs.

(h) Describe and evaluate the role of California WICHE representatives in the decisionmaking process and how their effectiveness can be improved.

SEC. 2. There is hereby appropriated from the General Fund to the California Postsecondary Education Commission the amount of twenty thousand dollars ($20,000) for purposes of preparing the report prescribed by Section 1 of this act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution. The facts constituting such necessity are:

In order that the Legislature may be provided with necessary and pertinent information regarding the desirability of this state's continued membership in the Western Interstate Commission for Higher Education prior to February 15, 1977, it is essential that this act take effect immediately as an urgency statute.

CHAPTER 875

An act to amend Section 10112 of the Insurance Code and to amend Sections 1431 and 1510 of the Probate Code, relating to estates of minors or insane or incompetent persons.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 10112 of the Insurance Code is amended to read:

10112. In respect to life or disability insurance, or annuity contracts except as provided in Sections 1431 and 1510 of the Probate Code, heretofore or hereafter issued to or upon the life of any person not of the full age of 18 years for the benefit of such minor or for the benefit of the father, mother, husband, wife, child, brother, or sister, of such minor, or issued to such minor, subject to written consent of a parent or guardian, upon the life of any person in whom such minor has an insurable interest for the benefit of himself or such minor's father, mother, husband, wife, child, brother or sister, such minor shall not, by reason only of such minority, be deemed incompetent to contract for such insurance or annuity, or for the surrender thereof, or to exercise all contractual rights thereunder, or, subject to approval of a parent or guardian, to give a valid discharge for any benefit accruing or for any money payable thereunder; provided, that all such contracts made by a minor under the age of 16 years, as determined by the nearest birthday, shall have the written

consent of a parent or guardian, and that the exercise of all contractual rights under such contracts, or the surrender thereof, or the giving of a valid discharge for any benefit accruing or money payable thereunder, in the case of a minor under the age of 16 years, as determined by the nearest birthday, shall have the written consent of a parent or guardian.

All such contracts made by a minor not of the full age of 18 years which may result in any personal liability for assessment shall have the written assumption of any such liability by a parent or guardian in consideration of the issuance of the contract. Such assumption shall be in a form approved by the commissioner, reasonably designed to inform the parent or guardian of the liability thus assumed.

Such assumption of liability may be made a part of and included with any written consent of such parent or guardian required under other provisions of this section and it may be provided therein that such assumption shall cover only up to the anniversary date of the policy nearest to the member's birthday at which he attains age 18.

SEC. 2. Section 1431 of the Probate Code is amended to read:

1431. When a minor has a disputed claim for damages, money or other property against a third person, either parent, or if the parents of the minor are living separate and apart, then that parent having the care, custody, or control of the minor, or the guardian of the estate, if any, of the minor, shall have the right to compromise, or execute a covenant not to sue on, such claim, but before the compromise or convenant is valid it must be approved by the superior court of the county where the minor resides, upon the filing of a verified petition in writing. The parent having the right to compromise or execute a covenant not to sue, or the guardian of the estate, if any, may execute a full release and satisfaction or execute a covenant not to sue on the disputed claim after the money and other property to be paid or delivered has been paid or delivered as hereinafter prescribed; provided, however, that if the court shall order that all or any part of the money, to be paid under the compromise or covenant, be deposited in a bank or trust company, invested in an account in an insured savings and loan association, or shares of an insured credit union, or in a single-premium deferred annuity issued by an admitted life insurer, such release and satisfaction or covenant shall not be effective for any purpose until such money has been deposited as directed in the order of the court. Any money or other property to be paid or delivered for the benefit of the minor pursuant to said compromise or covenant shall be paid and delivered in the manner and upon the terms and conditions specified in Section 1510 of the Probate Code.

SEC. 3. Section 1510 of the Probate Code is amended to read:

1510. If the court approves a compromise of, or the execution of a covenant not to sue on, a minor's disputed claim for damages, money or other property, or approves a compromise of a pending action or proceeding to which a minor, or insane or incompetent

person is a party, or gives judgment for such a person, and the money or the value of other property to be paid or delivered under such compromise, covenant, order or judgment does not exceed ten thousand dollars ($10,000), and there is no guardian of the estate of the minor, or insane or incompetent person, such court, in its discretion, may require that the remaining balance of any money paid or to be paid under such compromise, covenant, order or judgment, after payment of all expenses, costs and fees as approved and allowed by the court, be deposited in a bank or banks, or a trust company or companies, or be invested in an account or accounts in an insured savings and loan association or associations, or be invested in shares of an insured credit union, or be invested in a single-premium deferred annuity issued by an admitted life insurer, subject to withdrawal only upon the order of the court, or it may require a guardian of the estate to be appointed and the money or the other property to be paid or delivered to such guardian, or prescribe such other conditions as the court in its discretion deems to the best interests of the minor, or insane or incompetent person; provided, however, that if the money or the value of other property to be paid or delivered under such compromise, covenant, order or judgment does not exceed one thousand dollars ($1,000), and such money or property is to be paid or delivered for the benefit of a minor, the court may direct that all or any part of the money or the property be paid or delivered to a parent of the minor, without bond, upon the terms and under the conditions specified in Section 1430 of the Probate Code. If the money or the value of other property to be paid or delivered under such compromise, covenant, order or judgment exceeds ten thousand dollars ($10,000), and there is no guardian of the estate of the minor, or insane or incompetent person, such court shall require a guardian of the estate to be appointed and shall direct that the money or the other property be paid or delivered to the guardian, or in lieu of the appointment of a guardian of the estate, shall require that the remaining balance of any money paid or to be paid under such compromise, covenant, order or judgment, after payment of all expenses, costs and fees as approved and allowed by the court, be deposited in a bank or banks, or a trust company or companies, or be invested in an account or accounts in an insured savings and loan association or associations, or be invested in shares of an insured credit union, or be invested in a single-premium deferred annuity issued by an admitted life insurer, subject to withdrawal only upon order of the court, and as to other property to be paid or delivered, the court shall prescribe such conditions as it may deem to the best interests of the minor, or insane or incompetent person.

Notwithstanding any other provision of law, upon approval of a compromise of, or the execution of a covenant not to sue on, a minor's disputed claim, or approval of a compromise of a pending action or proceeding to which a minor is a party, or giving judgment for such a person, providing for the payment or delivery of money

or other property, in any case to which this section applies, the court making the order or giving judgment, and as a part thereof, may expressly retain jurisdiction of any part or all of the money paid, delivered, deposited, or invested until the minor reaches the age of 18 years.

Upon approval of a compromise of, or the execution of a covenant not to sue on, a minor's disputed claim, or approval of a compromise of a pending action or proceeding to which a minor, or insane or incompetent person is a party, or giving judgment for such a person, providing for the payment or delivery of money or other property, the court making the order or giving judgment, and as a part thereof, shall make a further order authorizing and directing a parent of the minor or guardian of the minor, or insane or incompetent person, or the payer of any money to be paid for the benefit of such person, to pay, from the money or other property to be paid or delivered, such reasonable expenses (medical or otherwise and including reimbursement to a parent or guardian), costs and attorney's fees as the court shall approve and allow therein. The remaining balance of such money or other property shall be paid, delivered or deposited as hereinabove provided.

The term "account in an insured savings and loan association" used in this section means shares issued by a federal savings and loan association, or investment certificates issued by a state-chartered building and loan association or savings and loan association doing business in this state which is an "insured institution" as defined in Title IV of the National Housing Act, or shares issued by a state-chartered building and loan association or savings and loan associations doing business in this state which does not issue investment certificates and which is an "insured institution" as defined in Title IV of the National Housing Act.

The term "shares of an insured credit union" means shares issued by a credit union, either federally chartered or state licensed, which are insured under Title II of the Federal Credit Union Act.

The term "single-premium deferred annuity" means an annuity offered by an admitted life insurer for the payment of a one-time lump-sum premium and for which the insurer neither assesses any initial charges or administrative fees against the premium paid nor exacts or assesses any penalty for withdrawal of any funds by the annuitant after a period of five years.

Where reference is made in this section to "guardian of the estate" such reference shall be deemed to include "conservator of the estate," and reference to "incompetent person" shall be deemed to include "a person for whom a conservator may be appointed."

CHAPTER 876

An act to amend Section 1203.01 of the Penal Code, relating to imprisonment.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1203.01 of the Penal Code is amended to read:

1203.01. Immediately after judgment has been pronounced, the judge and the district attorney, respectively, may cause to be filed with the clerk of the court a brief statement of their views respecting the person convicted or sentenced and the crime committed, together with such reports as the probation officer may have filed relative to the prisoner. The judge and district attorney shall cause such statements to be filed if no probation officer's report has been filed. The attorney for the defendant and the law enforcement agency that investigated the case may likewise file with the clerk of the court statements of their views respecting the defendant and the crime of which he was convicted. Forthwith after the filing of such statements and reports, the clerk of the court shall mail a copy thereof, certified by such clerk, along with a copy of the transcript of the proceedings at the time of the sentencing, with postage thereon prepaid, addressed to the Department of Corrections at the prison or other institution to which the person convicted is delivered. The clerk shall also mail a copy of any statement submitted by the court, district attorney, or law enforcement agency, pursuant to this section, with postage thereon prepaid, addressed to the attorney for the defendant, if any, and to the defendant in care of the Department of Corrections, and a copy of any statement submitted by the attorney for the defendant, with postage thereon prepaid, shall be mailed to the district attorney.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations, or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden on local government.

CHAPTER 877

An act to amend Section 15609 of, and to add Section 15625 to, the Government Code, and to amend and renumber the headings of Article 3 (commencing with Section 826), Article 4 (commencing with Section 866), and Article 5 (commencing with Section 891) of

Chapter 4 of Part 2 of Division 1 of, to add Article 1 (commencing with Section 721), Article 2 (commencing with Section 731), and Article 3 (commencing with Section 741) to Chapter 4 of Part 2, of Division 1 of, to add an article heading to Chapter 4 (commencing with Section 751) of Part 2 of Division 1 of, to repeal the heading of Article 1 (commencing with Section 751), of Chapter 4 of, and to repeal Article 6 (commencing with Section 900) of, Chapter 4 of Part 2 of Division 1 of, to amend Sections 1815.3, and 38011 of, to add Sections 755 and 758 to, to repeal Sections 751, 752, 753, 753.5, 754, 755, 758, 759, 760, 761, 762, and 763 of, the Revenue and Taxation Code, relating to duties of the State Board of Equalization.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 15609 of the Government Code is amended to read:

15609. The board shall hold regular meetings at the state capital each month, and may hold special meetings at such times and places within the state as the chairman directs. At any meeting the board may transact any and all business and perform all duties imposed upon it and give and enter any and all orders and decrees within its jurisdiction.

SEC. 1.1. Section 15625 is added to the Government Code, to read:

15625. (a) The members of the State Board of Equalization and the employees thereof shall not engage in any gainful profession, trade, business or occupation whatsoever for any person, firm or corporation, or be so engaged in their own behalf, which profession, trade, business or occupation is incompatible or involves a conflict of interest with their property tax duties as members and employees of the board. Conflict of interest shall include receipt of compensation or gifts from private persons or firms for advice or other services relating to the taxation or assessment of property.

(b) The violation of subdivision (a) by any member of the board shall constitute malfeasance in office.

(c) The violation of subdivision (a) by any employee of the board shall be grounds for dismissal. Disciplinary proceedings for any such violation shall be taken pursuant to Article 3 (commencing with Section 19570), Chapter 8, Part 2, Division 5, Title 2, of the Government Code.

SEC. 2. Article 1 (commencing with Section 721) is added to Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code, to read:

Article 1. General Provisions

721. The board shall annually value and assess all of the taxable property within the state that is to be assessed by it pursuant to Section 19 of Article XIII of the Constitution and any legislative authorization thereunder.

722. State-assessed property shall be assessed at 25 percent of its fair market value or full value as of 12:01 a.m. on the first day of March. The board shall annually prepare an assessment roll of the assessments made by it for transmittal to county auditors and city auditors as hereinafter provided in this chapter.

723. The board may use the principle of unit valuation in valuing properties of an assessee that are operated as a unit in a primary function of the assessee. When so valued, such properties are known as "unitary property." Property of an assessee not valued through the use of the principle of unit valuation are known as "nonunitary property."

724. Whenever any act is required or allowed to be done on or before a date specified in this chapter and that day is a Saturday, Sunday or holiday, the act may be performed timely during the next following business day.

725. The failure to receive any notice required to be given by the board or the failure of the board to complete any action by a date specified under this chapter, shall not affect the validity of an assessment or the validity of any taxes levied pursuant thereto. When any notice given by the board pursuant to this chapter provides for a time period of less than 10 days, the notice shall also be communicated by telephone on the day the notice is dated.

SEC. 3. Article 2 (commencing with Section 731) is added to Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code, to read:

Article 2. Assessments

731. Each year between the first day of March and the first day of June, upon valuing the unitary property of an assessee, the board shall mail to the assessee, at its address as shown in the records of the board, a notice stating the amount of the full value and assessed value of the assessee's unitary property. The notice shall advise the assessee of the date by which and the place where a petition for reassessment of the unitary property may be filed. The date shall not be less than 10 days from the date of the mailing of the notice.

732. Each year between the first day of March and the last day of July, upon valuing the nonunitary property of an assessee, the board shall mail to the assessee at its address shown in the records of the board a notice stating the amount of the assessed value of the assessee's nonunitary property. The notice shall advise the assessee of the date by which and the place where a petition for reassessment of the nonunitary property may be filed. The date shall not be less

than 10 days from the date of the mailing of the notice.

733. If timely petition for reassessment is not filed with the board, an assessment of unitary or nonunitary property of an assessee shall become final at the expiration of the period specified in the notice given in accordance with Section 731 or Section 732.

SEC. 4. Article 3 (commencing with Section 741) is added to Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code, to read:

Article 3. Reassessments and Allocation Corrections

741. A petition for reassessment of unitary or nonunitary property shall be in writing and shall state the specific grounds upon which it is claimed a correction or adjustment of the assessment is founded. The petition shall be delivered to the board at its headquarters office in Sacramento.

742. Upon receipt of a timely petition for reassessment, the board shall set a time and place within the state for hearing on the petition. Notice thereof shall be mailed to the assessee at its address as shown in the records of the board, not less than five days in advance of the date of the hearing.

743. The hearing may be continued by the board for good cause. The hearing shall be open to the public, except that upon conclusion of the taking of evidence the board may deliberate in private with the aid of its staff in reaching a conclusion. Upon written request made in advance of the hearing, the board shall make a full record of the hearing and furnish the petitioner with a transcript thereof at the petitioner's expense.

744. The board shall notify the petitioner of its decision on a petition for reassessment by mail and shall make written findings and conclusions if requested at or prior to the commencement of the hearing. The findings shall fairly disclose the board's determination of material factual issues and shall contain a statement of the method or methods of valuation used by the board in valuing the property. Decisions of the board on petitions for reassessment of unitary property shall be completed on or before June 30, and decisions on petitions for reassessment of nonunitary property shall be completed on or before August 19.

745. When the assessment of the unitary property of an assessee has become final, it shall be allocated to assessments on the roll prepared by the board among the taxing jurisdictions in which parts of the unitary property are situated. When the assessment of the nonunitary property of an assessee has become final, it shall be placed on the assessment roll prepared by the board.

746. Upon or prior to the completion of the assessment roll prepared by the board, the board shall mail notice to each assessee at its address as shown on the records of the board, of the allocated assessed values of the assessee's unitary property that have been or are proposed to be placed on the assessment roll to be transmitted

to the several county auditors and city auditors. The notice shall include a statement of the date by which and the place where the assessee may petition for a correction of an allocated assessment. The date shall not be less than five days from the date of mailing of the notice. The time and place for hearing, in the event a petition is to be filed, may be stated in the notice, and in such case the time for the hearing shall not be less than 10 days from the date of the mailing of the notice of the allocated assessed values.

747. A petition for correction of an allocated assessment shall be in writing and state the specific grounds upon which it is claimed a correction or adjustment in the allocation is founded. The value of the total unitary property of an assessee may not be brought into issue in a petition for correction of an allocated assessment.

748. Upon receipt of a timely petition for correction of an allocated assessment, the board shall set a time and place within the state for hearing, if it has not done so in the notice given under Section 746, and shall mail notice to the assessee of the time and place of the hearing at its address as shown on the records of the board. The time for the hearing shall not be less than five days from the date of mailing of the notice.

749. Section 743 of this article shall be applicable to hearings on petitions for correction of an allocated assessment and the board shall notify the petitioner of its decision by mail prior to August 19. The decision shall include written findings and conclusions of the board if requested at or prior to the commencement of the hearing.

SEC. 5. The heading of Article 1 (commencing with Section 751) of Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code is repealed.

SEC. 6. Section 751 of the Revenue and Taxation Code is repealed.

SEC. 7. Section 752 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 753 of the Revenue and Taxation Code is repealed.

SEC. 9. Section 753.5 of the Revenue and Taxation Code is repealed.

SEC. 10. Section 754 of the Revenue and Taxation Code is repealed.

SEC. 11. An article heading is added to Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code, immediately preceding Section 755, to read:

Article 4. Assessment Estimates and Assessment Roll

SEC. 12. Section 755 of the Revenue and Taxation Code is repealed.

SEC. 13. Section 755 is added to the Revenue and Taxation Code, to read:

755. On or before August 7 the board shall transmit to each

county auditor an estimate of the total assessed value of state-assessed property in the county and in each revenue district in the county. An estimate need not be made for a revenue district that did not levy a tax or assessment during the preceding year unless the board receives on or before January 1 preceding the fiscal year for which the levy is to be made a notice in writing of the proposed levy. The estimate shall be regarded as establishing the total assessed value of state-assessed property in the county and each revenue district in the county for the purpose of determining tax rates, subject only to such changes as may be transmitted on or prior to August 19. All information furnished pursuant to this section is at all times during office hours open to inspection of any interested person or entity.

SEC. 14. Section 758 of the Revenue and Taxation Code is repealed.

SEC. 15. Section 758 is added to the Revenue and Taxation Code, to read:

758. If the board roll has been transmitted to the local auditors, the board may make an assessment of escaped property or a roll correction. At least 30 days prior to transmitting a statement of assessment of escaped property or making a roll correction, the board shall notify the assessee whose property's full value has increased as a result of an escape assessment or roll correction of the assessed value of that property as it shall appear on the corrected roll. The notice shall be mailed to the assessee at its address shown in the records of the board. The assessee shall be heard by the board on a petition for reassessment prior to transmission to the local auditors of the board's statement of assessment of escaped property or roll correction if the assessee files with the board a written petition and request for hearing within 10 days of the date of mailing of the notice. The provisions of Sections 741 to 744, inclusive, shall be applicable to petitions and hearings pursuant to this section except for the dates prescribed for decisions of the board.

SEC. 16. Section 759 of the Revenue and Taxation Code is repealed.

SEC. 17. Section 760 of the Revenue and Taxation Code is repealed.

SEC. 18. Section 761 of the Revenue and Taxation Code is repealed.

SEC. 19. Section 762 of the Revenue and Taxation Code is repealed.

SEC. 20. Section 763 of the Revenue and Taxation Code is repealed.

SEC. 21. The heading of Article 3 (commencing with Section 826) of Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code is amended and renumbered to read:

Article 5. Property Statements

SEC. 22. The heading of Article 4 (commencing with Section 866) of Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code is amended and renumbered to read:

Article 6. Escape Assessments of State-Assessed Property

SEC. 23. The heading of Article 5 (commencing with Section 891) of Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code is amended and renumbered to read:

Article 7. Penal Assessments of State-Assessed Property

SEC. 24. Article 6 (commencing with Section 900) of Chapter 4 of Part 2 of Division 1 of the Revenue and Taxation Code is repealed.

SEC. 25. Section 1815.3 of the Revenue and Taxation Code is amended to read:

1815.3. When valuing property other than "unitary property" as defined in Section 723, the board shall be subject to the same valuation considerations and methods applicable to assessors as provided by this code.

SEC. 26. Section 38011 of the Revenue and Taxation Code is amended to read:

38011. The Chairman of the Franchise Tax Board shall be the member of the Multistate Tax Commission to represent this state for the commission's fiscal year period beginning in even-numbered calendar years and the Chairman of the State Board of Equalization shall be such member for the commission's fiscal year period beginning in odd-numbered calendar years.

CHAPTER 878

An act to amend Section 71006 of the Government Code, to amend Section 6309 of the Harbors and Navigation Code, and to add Section 1463.13 to the Penal Code, relating to port districts.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 71006 of the Government Code is amended to read:

71006. All fines, forfeitures, deposits in court, and unclaimed bail shall be disposed of as provided in Chapter 1 (commencing with Section 1425) of Title 11 of Part 2 of the Penal Code and Sections 42200, 42201, and 42203 of the Vehicle Code.

SEC. 2. Section 6309 of the Harbors and Navigation Code is amended to read:

6309. Except as otherwise provided in Section 660, the board may adopt all ordinances necessary for the regulation of the district with respect to the parking of vehicles, the speed and operation of vehicles and vessels, berthing of vessels, fire safety ashore and afloat, prohibiting the pumping of raw sewage or waste into port waters, and littering.

SEC. 3. Section 1463.13 is added to the Penal Code, to read:

1463.13. Notwithstanding the provisions of Section 1463, of the moneys deposited with the county treasurer pursuant to Section 1463, there shall be transferred, once a month to the treasurer of any port district in the county for deposit in the district fund, an amount equal to 20 percent of all fines and forfeitures collected during the preceding month upon the conviction of, or upon the forfeiture of bail by, any person arrested or issued a citation by any of the persons designated in Section 6309.6 of the Harbors and Navigation Code and charged with a violation of any provision of an ordinance of a port district committed on property or waters owned or controlled by the district within the county, and the remaining amount shall be transferred into the general fund of the county and allocated as provided in Section 1463.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

CHAPTER 879

An act to amend Sections 704.7, 705, 705.1, 714, 857, 859, 882, 900.5, 940.1, 976, 1113, 1140.5, 1601, 1750, 1751, 1751.3, 1765, 1854, 1854.25, 5051, 7015.5, 7042, 7045, 9098, 10479.5, 10493, 10506.1, 11019, 11090, 11401, 11504, 11520.5, 11751, 12161, 12162, 12168, 12389, 12416, 12973 and 12973.5 of, and to add Sections 972.5 and 11693.5 to, the Insurance Code, relating to insurance, and making an appropriation therefor.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 704.7 of the Insurance Code is amended to read:

704.7. The commissioner, in any proceeding under the provisions of Section 704 of this code for any of the violations specified in such

section, may, by an alternative order, permit the holder of such certificate of authority to elect in writing to pay a specified money penalty, within a specified time, in lieu of the suspension of its certificate of authority. If the holder so elects, the sum of money specified shall be paid to the commissioner for the use of the State of California. The sum specified shall not exceed thirty thousand dollars ($30,000). Should the holder so electing fail to pay the specified sum within the specified time the commissioner shall, unless his order be lawfully stayed, forthwith put in effect the alternative specified in his order.

All moneys received by the commissioner pursuant to this section shall, when appropriated for such purpose by the Legislature, be available for expenditure by the commissioner in accordance with law in administration and enforcement of the provisions of this code and other insurance laws.

The authority vested in the commissioner by this section shall be additional to and not in lieu of any other authority to enforce any penalties, fines or forfeitures, denials, suspensions, restrictions or revocations of certificates of authority otherwise authorized by law.

SEC. 2. Section 705 of the Insurance Code is amended to read:

705. The commissioner shall require the payment of thirty-seven dollars and fifty cents ($37.50) in lawful money of the United States, in advance as a fee for filing an application for each amendment of a certificate of authority authorizing any insurer to transact business in this state. Notwithstanding the provisions of Section 701 each insurer possessing a certificate of authority of indefinite term pursuant to such section shall owe and pay an annual fee of one hundred dollars ($100) in lawful money of the United States in advance on account of such certificate until its final expiration. Such fee shall be for annual periods commencing on July 1st of each year and ending on June 30th of each year and shall be due on each March 1st and shall be delinquent on and after each April 1st.

SEC. 3. Section 705.1 of the Insurance Code is amended to read:

705.1. The commissioner shall require the payment of one thousand dollars ($1,000) in lawful money of the United States in advance as a fee for filing an application and all supporting exhibits including articles of incorporation, certificates of organization, certificates of capital and assets, certificates of deposit, financial statements, affidavits, appointments of agents for service of process, bonds, deposit schedules, appraisals, and other papers, in support of each original certificate of authority. Such fee shall be in lieu of the fees for filing or receiving such papers in support of an application for an original certificate of authority as specified in Section 940.1 and as specified in the following sections of the Insurance Code as they existed on January 1, 1963: 705, 712, 900.5, 946, 976, 1350, 1590 (but not 1599), 1601, 7034, 9034 and 11090.

SEC. 4. Section 714 of the Insurance Code is amended to read:

714. The commissioner shall require the payment of seventeen dollars and fifty cents ($17.50) in lawful money of the United States,

in advance, as a fee for filing papers required under Section 713, on account of change or changes made at one time.

SEC. 5. Section 857 of the Insurance Code is amended to read:

857. The commissioner shall charge and collect the following fees:

(a) For filing an original or supplemental application for a permit to issue securities, except applications for a permit to issue securities evidencing any change in rights, preferences, privileges, or restrictions on outstanding securities, seventy-five dollars ($75) plus the sum of the following:

(1) Twenty one-hundredths of 1 percent of the amount of any excess of the aggregate value of the securities sought to be issued over one thousand dollars ($1,000) and not exceeding fifty thousand dollars ($50,000).

(2) Ten one-hundredths of 1 percent of such amount in excess of fifty thousand dollars ($50,000) and not exceeding one hundred thousand dollars ($100,000).

(3) Five one-hundredths of 1 percent of such amount in excess of one hundred thousand dollars ($100,000) and not exceeding five hundred thousand dollars ($500,000).

(4) Two one-hundredths of 1 percent of such amount in excess of five hundred thousand dollars ($500,000) and not exceeding five million dollars ($5,000,000).

(5) One one-hundredth of 1 percent of such amount in excess of five million dollars ($5,000,000) and not exceeding ten million dollars ($10,000,000).

(6) One five-hundredth of 1 percent of such amount in excess of ten million dollars ($10,000,000).

(b) For filing an application for a permit to issue securities evidencing any change in the rights, preferences, privileges, or restrictions on outstanding securities, seventy-five dollars ($75).

An original or supplemental application shall not be amended after the permit sought thereby or by amendment thereto has been issued or denied.

SEC. 6. Section 859 of the Insurance Code is amended to read:

859. The commissioner shall also collect the following fees:

(a) For filing any application for an amendment to an existing permit to issue securities, or for a permit to negotiate for the sale of securities, thirty-seven dollars and fifty cents ($37.50).

(b) For filing any application for a broker's certificate, one hundred dollars ($100) for the first office or location plus fifty dollars ($50) for each additional office or location.

(c) For filing any application for an agent's certificate, thirty-seven dollars and fifty cents ($37.50).

(d) For an examination, audit, or investigation, the actual amount of expenses reasonably incurred in the performance of the work, plus the following:

(1) If made by an employee of the commissioner, the actual amount of the compensation paid to such employee for that time.

(2) The amount of the usual cost to the state of typing, transcribing or otherwise preparing any written report of such examination, audit or investigation that may reasonably be needed in the discharge of the commissioner's duties.

SEC. 7. Section 882 of the Insurance Code is amended to read:

882. An insurer proposing to issue an underwriter's policy or any policy under a name differing from that of the insurer, must first file an application for approval and registration of the name or title under which the policy is to be issued with the commissioner. The commissioner may reject any name so submitted when it is an interference with, or too similar to, one already appropriated or when it is likely to mislead the public in any respect. In such case the application may be amended to submit another or other names.

The commissioner shall charge and collect in advance a fee of seventeen dollars and fifty cents ($17.50) for filing an application for approval and registration of such name or title, or for filing any amendment thereto.

SEC. 8. Section 900.5 of the Insurance Code is amended to read:

900.5. The commissioner shall charge and collect twenty-five dollars ($25) in advance as a fee for the first filing each year of a statement under this article. Only one such fee shall be charged or collected from any one insurer in any one calendar year.

SEC. 9. Section 940.1 of the Insurance Code is amended to read:

940.1. The commissioner shall require the payment of thirty-seven dollars and fifty cents ($37.50) in lawful money of the United States in advance for receiving and processing securities or deposit schedules for securities deposited pursuant to this article. An additional fee of seventeen dollars and fifty cents ($17.50) shall be payable for each withdrawal, substitution, or any other change in the securities comprising such deposit. There shall be no other or additional fee for attaching the commissioner's seal to a securities deposit schedule for a deposit under this article.

SEC. 10. Section 972.5 is added to the Insurance Code, to read:

972.5. The commissioner shall collect the sum of one hundred dollars ($100) from any admitted insurer that fails to file in his office within the time prescribed by law any tax bond, or deposit of securities in lieu thereof, required by this code. He shall also collect an additional penalty of two hundred dollars ($200) for each and every month or fractional part of a month thereafter that such insurer continues to transact the business of insurance until such tax bond, or deposit of securities in lieu thereof, are filed.

SEC. 11. Section 976 of the Insurance Code is amended to read:

976. The commissioner shall require in advance, in lawful money of the United States, the following fees for filing bonds or endorsements or receiving security schedules, all from admitted insurers pursuant to this article.

(a) For filing a bond or an endorsement to such bond, seventeen dollars and fifty cents ($17.50).

(b) For receiving or making any change in withdrawing,

substituting or making any change in securities on deposit, the appropriate fee prescribed by Article 11 (commencing with Section 939), of Chapter 1, Part 2, Division 1 of this code.

SEC. 12. Section 1113 of the Insurance Code is amended to read:

1113. For filing application for a permit issued pursuant to this article, the commissioner shall charge and collect the sum of thirty-seven dollars and fifty cents ($37.50).

SEC. 13. Section 1140.5 of the Insurance Code is amended to read:

1140.5. (a) Notwithstanding any other provision of law, a copy of every form of proxy or written consent or authorization for use at any meeting or proceeding of shareholders or stockholders of any domestic insurer to evidence authority to cast the vote of any shareholder or stockholder, or to record the consent or the authorization of any shareholder or stockholder to any action of the insurer, and a copy of every solicitation, announcement, or advertisement used to obtain, or to influence any shareholder or stockholder to sign, any proxy, or written consent or authorization shall be filed with the commissioner, accompanied by a filing fee of fifty dollars ($50), by the person intending to use, issue, publish, or circulate such document. No such document shall be used, issued, published, or circulated before a period of 10 days following the date of its filing, or any shorter period as may be designated by the commissioner, has elapsed. Within such 10-day or shorter period the commissioner may disapprove of any document filed with him pursuant to this section, stating his reasons therefor in writing, in which case such document shall not be used, issued, published, or circulated.

(b) Any person who fails to make the filing required by this section and who thereafter uses any document required to be filed, or who uses any such document before it has been filed with the commissioner for the period required, or who uses any such document after receiving written notice that the document has been disapproved by the commissioner is guilty of a misdemeanor. It shall be unlawful to use any proxy or consent obtained in violation of this section; and the superior court of the State of California in and for the county in which is located the principal place of business of such insurer shall have jurisdiction to enforce the provisions of this section and the regulations promulgated pursuant thereto, and to grant appropriate relief upon the verified petition of the commissioner, such domestic insurer or and any of its shareholders or stockholders.

(c) The purposes of this section are: to ensure that the shareholders, stockholders or other persons entitled to vote or give written consents or authorizations are provided with adequate and accurate information regarding the affairs of the insurers in which they have interests, the interests of those soliciting proxies or written consents or authorizations and of those upon whose behalf such solicitations are made, and the matters as to which proxies or written consents or authorizations are solicited; and to prevent fraud or

deception in connection with proxies, proxy statements or other proxy solicitations. In furtherance of the purposes of this section the commissioner may make rules and regulations therefor. Such rules and regulations may differ as to different classes and types of insurers.

(d) The provisions of this section shall not apply to any domestic insurer having less than 100 shareholders or stockholders and shall not apply to any domestic insurer if 95 percent or more of its stock is owned or controlled by a parent or an affiliated insurer and the remaining shares of stock are owned by less than 500 shareholders or stockholders. Any domestic insurer which files with the Securities and Exchange Commission forms of proxies, consents and authorizations complying with the requirements of the Securities Exchange Act of 1934 and the amendments thereto and the applicable regulations thereunder, is exempt from the provisions of this section.

SEC. 14. Section 1601 of the Insurance Code is amended to read:

1601. No fee shall be charged, except as included in the application for certificate of authority fee provided by Article 3, Chapter 1, Part 2, Division 1 of this code, for filing the initial appointment under this article by an applicant for admission. Thereafter the commissioner shall require the payment of fifteen dollars ($15) in lawful money of the United States in advance as a fee for filing appointment of agent or stipulation or both by every admitted foreign or alien insurer, under this article.

SEC. 15. Section 1750 of the Insurance Code is amended to read:

1750. The commissioner shall require in advance as a fee for filing application for the hereinafter designated licenses, renewals thereof, or changes in outstanding licenses, an amount calculated as set forth herein. The fee is determined by multiplying the number of natural persons to be licensed or to be named on or added to the license by the amounts specified as to each such license multiplied by the number of license years in the period of the license applied for or the remaining period of an existing license counting any initial fractional license year of such period as one year for such purpose, as follows:

(a) Insurance agent, twenty dollars ($20).

(b) Insurance broker, thirty dollars ($30).

(c) Insurance solicitor, fifteen dollars ($15).

(d) Life agent, resident, twenty dollars ($20).

(e) Life agent, nonresident, twenty-four dollars ($24).

(f) Variable annuity agent, twenty-five dollars ($25).

SEC. 16. Section 1751 of the Insurance Code is amended to read:

1751. The commissioner shall require in advance as a fee for filing the following documents:

(a) Application for registration of change in membership of a copartnership licensed as:

(1) Insurance agent, twenty dollars ($20).

(2) Insurance broker, thirty dollars ($30).

(3) Life agent, resident, twenty dollars ($20).

(4) Life agent, nonresident, twenty-four dollars ($24).

(b) Application for endorsement removing from any life agent's, insurance agent's or insurance broker's license issued to an organization the name of any natural person named thereon, three dollars ($3).

(c) First amendment to an application, three dollars ($3); a second and each subsequent amendment to an application, six dollars ($6).

(d) Original application to be given the qualifying examination for a license of a fire and casualty licensee, twelve dollars and fifty cents ($12.50) for each person to be examined.

(e) Original application to be given the qualifying examination for a license of a life licensee, or a license as a variable annuity agent, twelve dollars and fifty cents ($12.50) for each person to be examined.

(f) Application for reexamination for any of the licenses mentioned in this section seventeen dollars and fifty cents ($17.50) for each person to be reexamined.

(g) Application which includes a request for a certificate of convenience pursuant to Article 8 of this chapter, twelve dollars and fifty cents ($12.50) in addition to, and not in lieu of, fees otherwise required.

(h) Application or request for approval of true or fictitious name pursuant to Section 1724.5 of this chapter fifteen dollars ($15), except that there shall be no fee when such name is contained in an original application.

(i) "A ratification of appointments of agents" whereby the surviving insurer in a merger or consolidation assumes responsibility for all agents then lawfully appointed for one of the constituent insurers and makes each its agent, sixty-two dollars and fifty cents ($62.50).

(j) An application or request for approval of:

(1) A training course pursuant to Section 1689 or 1690, except when filed by a degree-conferring college or university, a public educational institution, or by a private nonprofit educational institution, sixty-two dollars and fifty cents ($62.50).

(2) An arrangement whereby an insurer may qualify trainees pursuant to Section 1689 or 1690 by means of an approved course given on the insurer's behalf by a school or organization other than itself, thirty-two dollars and fifty cents ($32.50).

(k) A bond, pursuant to Article 5 (commencing with Section 1662) of this chapter or Section 1760.5 or 1765, except when such bond constitutes part of an original application filing, seven dollars and fifty cents ($7.50).

(*l*) An application or request for a copy of, or a duplicate license, issued pursuant to Chapters 5 (commencing with Section 1621), 6 (commencing with Section 1760), 7 (commencing with Section 1800), or 8 (commencing with Section 1831) of this division or Sections 12280 and 12280.2, five dollars ($5).

(m) An application or request for clearance and cancellation notice of a current licensee of record, five dollars ($5).

SEC. 17. Section 1751.3 of the Insurance Code is amended to read:

1751.3. The commissioner shall require five dollars ($5) in advance as a fee for filing each notice of appointment or each notice of termination pursuant to Section 1707 of any of the following:

(a) An insurance agent.

(b) A life agent.

(c) A travel insurance agent.

(d) An insurance solicitor.

SEC. 18. Section 1765 of the Insurance Code is amended to read:

1765. Upon application in such form as the commissioner prescribes and subject to the provisions of Sections 1666, 1667 and 1668 of this code, the commissioner shall issue a license authorizing any applicant that is trustworthy and competent to transact an insurance brokerage business in such manner as to safeguard the interest of the insured, to act as a surplus line broker from the date of such license until the first day of July succeeding, on the delivery to the commissioner of a bond to the people of the State of California in the sum of twenty thousand dollars ($20,000) conditioned that said licensee will fully and faithfully comply with the requirements of this chapter, and all applicable provisions of this code. Such bond shall be subject to the provisions of Sections 1662, 1663 and 1664 of this code.

The commissioner shall charge and collect in advance a fee of two hundred dollars ($200) for filing each application for a license to act as a surplus line broker.

SEC. 19. Section 1854 of the Insurance Code is amended to read:

1854. No rating organization shall conduct its operations in this state without first filing with the commissioner a written application for and securing a license to act as a rating organization. Any rating organization may make application for and obtain a license as a rating organization if it shall meet the requirements for license set forth in this chapter. Every such rating organization shall file with its application (a) a copy of its constitution, its articles of incorporation, agreement or association, and of its bylaws, rules and regulations governing the conduct of its business, all duly certified by the custodian of the originals thereof, (b) a list of its members and subscribers, (c) the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served, and (d) a statement of its qualifications as a rating organization.

The fee for filing an application for license as a rating organization is one hundred fifty dollars ($150) lawful money of the United States, payable in advance to the commissioner.

SEC. 20. Section 1854.25 of the Insurance Code is amended to read:

1854.25. Notwithstanding the provision of Section 1854.2, each rating organization possessing a license of indefinite term pursuant

to such section shall owe and pay to the commissioner an annual fee of one hundred fifty dollars ($150) in lawful money of the United States in advance on account of such license until its final termination. Such fee shall be for periods commencing on July 1, 1964, and on each July 1st thereafter and ending on June 30, 1965, and each June 30th thereafter, and shall be due and payable on March 1, 1964, and on each March 1st thereafter and shall be delinquent on April 1, 1964, and each April 1st thereafter.

SEC. 21. Section 5051 of the Insurance Code is amended to read:

5051. Upon the payment in advance of one thousand five hundred dollars ($1,500) cash, lawful money of the United States, to the commissioner for all services to be rendered by him in the matter of organization of the insurer, such persons shall file with the commissioner a declaration of their intention to incorporate for the purposes expressed in Section 5050. The declaration shall be signed by all of such persons, and shall contain a copy of the articles of incorporation proposed to be adopted.

SEC. 22. Section 7015.5 of the Insurance Code is amended to read:

7015.5. The commissioner shall charge and collect in advance a fee of sixty-two dollars and fifty cents ($62.50) for issuing a certificate under this article, or for reissuing and amending or changing an obsolete certificate at the request of an insurer.

SEC. 23. Section 7042 of the Insurance Code is amended to read:

7042. If the vote is in the affirmative a certified copy of all proceedings relating to the proposed merger shall be filed with the commissioner. If the commissioner finds that the proceedings have been in accordance with the law and his requirements he shall issue his certificate approving the plan and agreement and the merger shall become effective when such certificate, the agreement and any other documents required by law have been filed with the Secretary of State.

The fee for issuing such certificate approving the merger shall be one hundred seventy-five dollars ($175) lawful money of the United States for the original certificate, payable in advance, with the filing of the first merger papers with the commissioner; five dollars ($5) shall be charged for each signed and sealed or certified copy thereof issued as part of the same transaction in which the original certificate is issued.

SEC. 24. Section 7045 of the Insurance Code is amended to read:

7045. The board of directors of any county mutual fire insurer that desires to commence proceedings for transformation of such insurer to a general mutual insurer shall adopt a resolution to that effect and submit to the commissioner a plan for effecting such transformation accompanied by an application for approval thereof and a fee of one hundred seventy-five dollars ($175).

SEC. 25. Section 9098 of the Insurance Code is amended to read:

9098. The plan and agreement by which any such transaction permitted by Section 9097 is to be effected shall be approved by the

board of directors or other governing body of such organization or association and submitted to the commissioner accompanied by an application for approval thereof and a fee of one hundred seventy-five dollars ($175).

SEC. 26. Section 10479.5 of the Insurance Code is amended to read:

10479.5. When the commissioner has valued the reserve liabilities of an insurer as provided by this article, he may upon request of the insurer issue his official certificate or certificates describing the reserve liability and the valuation thereof as he has determined. For issuing an original certificate, the commissioner shall require, in advance, a fixed fee of fifteen dollars ($15) in lawful money of the United States, plus the actual cost to the Insurance Department of making the valuation on which the certificate is based including, but not limited to, the aggregate salaries computed on an hourly basis for the time actually spent thereon by all of the department personnel.

SEC. 27. Section 10493 of the Insurance Code is amended to read:

10493. Any incorporated or unincorporated benefit and relief association organized before January 15, 1951, may procure a certificate of exemption from the commissioner if it complies with all of the following:

(a) All of the other requirements of this article.

(b) As respects life or disability or life and disability insurance transacted by it, it is of an entirely nonprofit nature.

(c) Any one of the following requirements as to membership and purpose:

(1) It is composed of and its membership limited to the appointive officers and employees of a public school district or districts and/or the pupils of any such district or districts, or of any private school or schools.

(2) It is composed of and its membership limited to the appointive officers and employees of a municipal playground system, or the systems of two or more municipalities united in a league, federation or other association for the purpose of promoting intercity competitions or other activities, and/or the participants in dancing, recreational, sporting, educational, social and/or theatrical activities sponsored and/or directed by such system or systems and carried on through the use of any of the facilities of such system or systems.

(3) Its membership in this state is 1,000 or more and it is either an organization of a purely religious or benevolent character or its membership is limited to the members of such an organization.

(4) It is composed of and its membership is limited to the members of another organization which other organization is of a purely religious or benevolent character and has a total membership in this state of not less than 1,000.

(5) It is a domestic organization, lodge, society or order which prior to September 19, 1947, provided life or disability benefits or both such benefits to its members and

(A) Is of a charitable, benevolent or beneficent character or becomes such within one year from September 4, 1951, and in both instances is thereafter of such character, and

(B) Operates in such a manner that the payment of such benefits even though it be one of the express purposes of such organization, lodge or order, is as a matter of fact incidental to its charitable, benevolent or beneficent purposes or within one year from September 4, 1951, operates in such a manner and in both instances thereafter operates in such a manner.

(6) Officers and employees of a common employer, and related dependents of such officers and employees, comprising wives, husbands and unmarried dependent children under 19 years of age, and living in the same household.

(d) Pays a filing fee in the amount of fifty dollars ($50).

SEC. 28. Section 10506.1 of the Insurance Code is amended to read:

10506.1. The commissioner shall require the payment of three hundred dollars ($300) in lawful money of the United States as a fee for the determination of qualification required by Section 10506. Upon completion of the determination of qualification, and, whether authorization to issue contracts providing variable benefits is granted or denied, the commissioner shall require the payment by domestic insurers of such additional amounts from the requesting domestic insurer as may be necessary to defray all administrative costs in excess of one hundred dollars ($100) incurred by the commissioner in making such determination.

SEC. 29. Section 11019 of the Insurance Code is amended to read:

11019. No domestic society shall consolidate or merge with any other society unless it files with the commissioner the papers and evidence specified in this section and pays the sum of one hundred thirty-seven dollars and fifty cents ($137.50) in lawful money of the United States to the commissioner in advance as a filing fee therefor. The papers and evidence herein required to be filed with the commissioner in such instance are:

(a) A certified copy of the written contract containing in full the terms and conditions of the consolidation or merger;

(b) A sworn statement by the president and secretary or corresponding officers of each society showing the financial condition thereof on a date not earlier than December 31, next preceding the date of the contract;

(c) A certificate of such officers, duly verified by their respective oaths, that the consolidation or merger has been approved by a two-thirds vote of the supreme legislative or governing body of each society; and

(d) Evidence that at least 60 days prior to the action of the supreme legislative or governing body of each society, the text of the contract has been furnished to all members of the society by being sent by mail or by being published in full in the official organ of the

society and the issue containing same being mailed to each member of the society.

SEC. 30. Section 11090 of the Insurance Code is amended to read:

11090. Subject to the annual fee provisions as provided herein, every certificate of authority issued to a fraternal benefit society shall be for an indefinite term and shall expire with the expiration or termination of the corporate existence of the holder thereof unless sooner revoked by the commissioner. The commissioner shall require the payment of one thousand five hundred dollars ($1,500) in lawful money of the United States, in advance as a fee for filing an application for each original certificate of authority authorizing any fraternal benefit society to transact insurance in this state. Each society possessing a certificate of authority of indefinite term shall owe and pay an annual fee of one hundred fifty dollars ($150) in lawful money of the United States in advance on account of such certificate until its final expiration or revocation. Such fee shall be for annual periods commencing on July 1st of each year, and ending on June 30th of each year, and shall be due on each March 1st and shall be delinquent on and after each April 1st. A duly certified copy or duplicate of such certificate of authority shall be prima facie evidence that the holder is a fraternal benefit society within the meaning of this chapter.

SEC. 31. Section 11401 of the Insurance Code is amended to read:

11401. Such an association shall not operate or do business in this state without a certificate of authority. The commissioner shall issue a certificate of authority to any such association unless he determines, after examination, that it does not comply with the provisions of this chapter. The filing fee for the application for the certificate of authority shall be two hundred dollars ($200).

SEC. 32. Section 11504 of the Insurance Code is amended to read:

11504. No corporation shall establish, maintain or operate a nonprofit service plan as authorized by the provisions of this chapter unless it shall first have procured a certificate of authority from the Commissioner of Insurance of this state for the establishment, maintenance and operation of said hospital service plan. The filing fee for an application for a certificate of authority shall be two thousand dollars ($2,000).

SEC. 33. Section 11520.5 of the Insurance Code is amended to read:

11520.5. No person shall transact in this state the business described in this chapter without first procuring a certificate of authority from the commissioner for such purpose. Application for such certificate shall be made on a form prescribed by the commissioner accompanied by a filing fee of two hundred fifty-five dollars ($255). Such certificate shall not be granted until the applicant conforms to the requirements of this chapter and the laws

of this state prerequisite to its issue. After such issue the holder shall continue to comply with the requirements of this chapter and the laws of this state. Where a hearing is held under this section the proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1, Division 3, Title 2 of the Government Code, and the commissioner shall have all of the powers granted therein.

Subject to the annual fee provisions herein, every certificate of authority issued or held under this chapter shall be for an indefinite term and, unless sooner revoked by the commissioner, shall terminate upon occurrence of any of the following:

(a) Upon the holder's ceasing to exist as a separate entity.

(b) Upon the winding up or dissolution, or expiration or forfeiture of the corporate existence of a corporate holder thereof.

(c) Upon winding up or dissolution of a holder not a corporation.

(d) In any event upon surrender by the holder of its certificate of authority and cancellation of the same by the commissioner.

The commissioner shall not cancel a surrendered certificate of authority until he is satisfied by examination, or otherwise, that the former holder has discharged its annuity liabilities to residents of this state or satisfactorily reinsured the same.

Notwithstanding the preceding provisions for a certificate of authority of indefinite term, each holder of a certificate of authority under this chapter shall owe and pay in advance to the commissioner in lawful money of the United States an annual fee of fifty-two dollars and fifty cents ($52.50) on account of such certificate of authority until its final termination or revocation. Such fee shall be for annual periods commencing on July 1st of each year and ending on June 30th of each year and shall be due on each March 1st and shall be delinquent on and after each April 1st.

SEC. 34. Section 11693.5 is added to the Insurance Code, to read:

11693.5. The commissioner shall collect the sum of one hundred dollars ($100) from any admitted workers' compensation insurer that fails to file in his office within the time prescribed by law any such workers' compensation bond, or deposit of securities in lieu thereof, required by this code. He shall also collect an additional penalty of two hundred dollars ($200) for each and every month or fractional part of a month thereafter that such workers' compensation insurer continues to transact the business of workmen's compensation insurance until such bond or deposit of securities in lieu thereof is filed.

SEC. 35. Section 11751 of the Insurance Code is amended to read:

11751. On and after January 1, 1952, no rating organization shall conduct its operations in this state without first having filed with the commissioner a written application for and securing a license to act as a rating organization. Any rating organization may make application for and obtain a license as a rating organization if it shall meet the requirements for license set forth in this article. The fee for

filing an application for a license as a rating organization is one hundred fifty dollars ($150) payable in advance to the commissioner. Every such rating organization shall file with its application:

a. A copy of its constitution, its articles of incorporation, agreement of association, and of its bylaws, rules and regulations governing the conduct of its business, all certified by the custodian of the originals thereof.

b. A list of its members who shall not number less than five insurers authorized to write and writing workers' compensation insurance in this state and whose combined experience shall be determined by the commissioner to be reasonably adequate for ratemaking purposes.

c. The name and address of a resident of this state upon whom notices of the commissioner or process affecting such rating organization may be served.

d. A statement of its qualifications as a rating organization.

SEC. 36. Section 12161 of the Insurance Code is amended to read:

12161. Application for a certificate of authority shall be made on a form prescribed by the commissioner, accompanied by a filing fee of three hundred seventy-five dollars ($375). Such certificate shall not be granted until the applicant conforms to the requirements of this part and the laws of this state prerequisite to its issue. After such issue the holder shall continue to comply with the requirements of this part and the laws of this state.

SEC. 37. Section 12162 of the Insurance Code is amended to read:

12162. The commissioner shall not issue a certificate of authority to any motor club until:

(a) It files with him the following:

1. A formal application for the certificate in such form and detail as the commissioner requires, executed under oath by its president or other principal officer.

2. A certified copy of its charter or articles of incorporation and its bylaws, if any.

3. A copy of its latest financial statement, or report of independent audit as the commissioner may require; or, in the event neither is available, its most recent operating statement and balance sheet. Any such financial statement, audit, operating and balance sheet shall be verified by the person compiling or making the same and by an executive officer of the applicant.

4. If it is a foreign corporation, a certificate from its domiciliary state regulatory authority executed not more than 30 days before the filing of its application that it is duly authorized to do a motor club business in that state.

5. An explanation of its plan of doing business, and copies of the following: its application for membership; the proposed membership certificate or identification card; any proposed addendum thereto; any individual insurance policy and any group master policy and

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individual certificates thereunder to be offered; any service contract to be issued.

6. Such other information as the commissioner may find necessary in order to determine applicant's qualifications.

(b) It first deposits security with the commissioner in one of the following forms:

1. Securities of the kinds prescribed by this code for capital fund investments by stock insurers and approved by the commissioner, in the amount of one hundred thousand dollars ($100,000) based on par value or market value, whichever is less. The making, maintenance and withdrawal of such deposits and the substitution of securities therein shall be governed by Article 11 (commencing with Section 939) of Chapter 1 of Part 2 of Division 1 of this code; or

2. A surety bond on a form prescribed by the Attorney General of this state, executed by an admitted surety insurer in the penal sum of one hundred thousand dollars ($100,000).

(c) It pays to the commissioner an annual license fee of one hundred fifty dollars ($150).

(d) Its name is approved by the commissioner under the provisions of Section 881, the provisions of which section are hereby made applicable to motor clubs.

(e) It proves by affidavits of its officers, directors, managers, and individual owners of more than 10 percent on a form prescribed by the commissioner that it is not disqualified under the provisions of Section 704.5 of this code.

(f) It satisfies the commissioner it is qualified as respects each of the subjects enumerated in subdivisions (b), (c), (e), (f), (h), (i), and (j) of Section 717, when the same are read in the sense of protection to its members instead of policyholders.

(g) It is a separate legal entity capable of being examined by the commissioner as provided in this part.

SEC. 38. Section 12168 of the Insurance Code is amended to read:

12168. Annually on or before March 1st of each year, copies of any instruments making any changes in articles of incorporation, bylaws, and membership certificate or identification card or service contract required by this part to be filed with the application for admission shall be filed with the commissioner. In the case of articles of incorporation, an amendment or certificate of amendment shall be certified by the official custodian of the original as a true copy of the same on file in his office. Amended bylaws or other papers shall be certified by the corporation secretary over the corporate seal to be true copies of the same currently adopted. The commissioner shall require the payment of seventeen dollars and fifty cents ($17.50) in advance for each such annual filing of amended documents or papers pursuant to this article.

SEC. 39. Section 12389 of the Insurance Code is amended to read:

12389. (a) An underwritten title company as defined in Section

12340.5, which shall be a stock corporation, may engage in the business of preparing title searches, title reports, title examinations, certificates or abstracts of title, upon the basis of which a title insurer writes title policies, provided that:

(1) Only domestic corporations may be licensed under this section and no underwritten title company, as defined in Section 12340.5, shall become licensed under this section, or change the name under which it is licensed or operates, unless it has first complied with the provisions of Section 881.

(2) Depending upon the county or counties in which the company is licensed to transact business, it shall maintain required minimum net worth as follows:

Aggregate number of documents recorded and documents filed in the offices of the county recorders in the preceding calendar year in all counties where the company is licensed to transact business.

Number of documents	Amount of required minimum net worth
Less than 10,000	$20,000
10,000 to 50,000	30,000
50,000 to 100,000	60,000
100,000 to 500,000	100,000
500,000 to 1,000,000	150,000
1,000,000 or more	200,000

"Net worth" is defined as the excess of assets over all liabilities and required reserves. It may carry as an asset the actual cost of its title plant provided the value ascribed to such asset shall not exceed the lesser of: (a) the actual cost thereof, or (b) 50 percent of its stated capital, as defined in Section 1900 of the Corporations Code.

Where the information in the title plant is not being kept current, the asset value of such plant shall not exceed the actual cost less 20 percent of the actual cost for each 12-month period, immediately preceding the date such asset is valued for purposes of this subdivision, that the title plant is not actually maintained.

An underwritten title company at all times shall maintain current assets of at least ten thousand dollars ($10,000) in excess of its current liabilities, as such current assets and liabilities may be defined pursuant to regulations made by the commissioner. In making such regulations, the commissioner shall be guided by generally accepted accounting principles followed by certified public accountants in this state.

(3) Such an underwritten title company shall obtain from the commissioner a license to transact its business. Such license shall not be granted until the applicant conforms to the requirements of this section and all other provisions of this code specifically applicable to

applicant. After issuance the holder shall continue to comply with the requirements as to its business set forth in this code, in the applicable rules and regulations of the commissioner and in the laws of this state.

Any underwritten title company who possesses, or is required to possess, a license pursuant to this section shall be subject as if an insurer to the provisions of Article 8 (commencing with Section 820) of Chapter 1 of Part 2 of Division 1 of this code and shall be deemed to be subject to authorization by the Insurance Commissioner within the meaning of subdivision (e) of Section 25100 of the Corporations Code.

Such license may be obtained by filing an application on a form prescribed by the commissioner accompanied by a filing fee of three hundred dollars ($300). Such license when issued shall be for an indefinite term and shall expire with the termination of the existence of the holder, subject to the annual renewal fee imposed under Sections 12415 and 12416.

An underwritten title company seeking to extend its license to an additional county shall pay a one hundred seventy-five dollars ($175) fee for each such additional county, and shall furnish to the commissioner evidence, at least sufficient to meet the minimum net worth requirements of paragraph (2), of its financial ability to expand its business operation to include such additional county or counties.

(4) Such an underwritten title company shall furnish an audit to the commissioner on the forms provided by the commissioner annually, either on a calendar year basis on or before March 31st or, if approved in writing by the commissioner in respect to any individual company, on a fiscal year basis on or before 90 days after the end of the fiscal year. The time for furnishing any such audit may be extended, for good cause shown, on written approval of the commissioner for a period, not to exceed 60 days. Failure to submit an audit on time, or within such extended time as the commissioner may grant, shall be grounds for an order by the commissioner to accept no new business pursuant to subdivision (d). Such audits shall be private, except that a synopsis of the balance sheet on a form prescribed by the commissioner may be made available to the public.

The audits shall be made in accordance with generally accepted auditing standards by an independent certified public accountant or independent licensed public accountant approved by the commissioner specifically for the particular company. Approval of an auditor for a particular company shall not be deemed to be a licensing of the auditor nor approval of the auditor for any other company or any other purpose. Any such approval, or the renewal thereof, shall automatically expire on the first day of January in the fifth calendar year following the date of original or renewal approval. The fee for filing an application for such approval or the renewal thereof shall be seventeen dollars and fifty cents ($17.50). The fee for filing the audit shall be thirty-seven dollars and fifty cents ($37.50).

The commissioner may deny or revoke approval or renewal of approval of an auditor for any of the following reasons:

(i) Adverse result in any proceeding before the State Board of Accountancy affecting the auditor's license;

(ii) The auditor has an affiliation with the underwritten title company or any of its officers or directors which would prevent his reports on the company from being reasonably objective;

(iii) The auditor has suffered conviction of any misdemeanor or felony based on his activities as an accountant; or

(iv) Judgment adverse to the auditor in any civil action finding him guilty of fraud, deceit or misrepresentation in the practice of his profession.

Any company which fails to file any audit or other report on or before the date it is due shall pay to the commissioner a penalty fee of one hundred dollars ($100) and on failure to pay such or any other fee or file the audit required by this section shall forfeit the privilege of accepting new business until the delinquency is corrected.

(b) Such an underwritten title company may engage in the escrow business and act as escrow agent provided that:

(1) All funds deposited with the company in connection with any escrow shall be deposited in a bank in a separate trust account, and such funds shall be the property of the person or persons entitled thereto under the provisions of the escrow and segregated escrow by escrow in the records of the company. Such funds shall not be subject to any debts of the company and shall be used only to fulfill the terms of the individual escrow under which the funds were accepted and none of such funds shall be used until all conditions of the escrow have been met.

Bona fide drafts executed by persons fully responsible financially may at the option of the company, be deemed the equivalent of funds already cleared into such bank deposit unless another law of this state prohibits such persons from tendering such drafts to escrow holders for the purpose of closing escrows.

Any interest received on funds deposited with the company in connection with any escrow which are deposited in a bank shall be paid over to the depositing party to the escrow and shall not be transferred to the account of the company.

(2) It shall maintain record of all receipts and disbursements of escrow funds.

(3) It shall deposit seven thousand five hundred dollars ($7,500) for each county in which it transacts business in some form permitted by Section 12351 with the commissioner who shall forthwith make a special deposit thereof in the State Treasury and such deposit shall be subject to the provisions of Sections 12353, 12356, 12357, and 12358 and as long as there are no claims against the deposit all interest and dividends thereon shall be paid to the depositor. The assets in the deposit shall be subject to final sale, transfer and disposal of the proceeds thereof by the commissioner only on the order of a court of competent jurisdiction, and for the security and protection of

persons having lawful claims against the depositor growing out of escrow transactions with it. Such deposit shall be maintained until two years after the company ceases to engage in the escrow business.

(4) It shall obtain and maintain a fidelity bond on file with the commissioner, to cover all officers and employees of the company who participate in any escrow transaction that is handled by the company. Such bond shall be a blanket bond or, with the approval of the commissioner, may be a position or individual bond. The commissioner shall prescribe the amount of the bond which shall not exceed two hundred thousand dollars ($200,000).

(c) The commissioner shall, whenever it appears necessary, examine the business and affairs of a company licensed under this section. All such examinations shall be at the expense of the company.

(d) At any time that the commissioner determines, after notice and hearing, that a company licensed under this section has willfully failed to comply with any of the provisions of this section, the commissioner shall make his order prohibiting the company from conducting its business for a period of not more than one year.

Any company violating such an order is subject to seizure under Article 14 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1 is guilty of a misdemeanor and may have its license revoked by the commissioner. Any person aiding and abetting any company in a violation of such an order is guilty of a misdemeanor.

The purpose of this section is to maintain the solvency of the companies subject to this section and to protect the public by preventing fraud and requiring fair dealing. In order to carry out such purposes the commissioner may make reasonable rules and regulations to govern the conduct of its business of companies subject to this section.

The name under which each underwritten title company is licensed shall at all times be an approved name. Each such company shall be subject to the provisions of Article 14 (commencing with Section 1010) and Article 14.5 (commencing with Section 1065.1) of Chapter 1 of Part 2 of Division 1.

Such rules and regulations shall be adopted, amended or repealed in accordance with the procedure provided in Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 40. Section 12389 of the Insurance Code is amended to read:

12389. (a) An underwritten title company as defined in Section 12340.5, which shall be a stock corporation, may engage in the business of preparing title searches, title reports, title examinations, certificates or abstracts of title, upon the basis of which a title insurer writes title policies, provided that:

(1) Only domestic corporations may be licensed under this section and no underwritten title company, as defined in Section 12340.5, shall become licensed under this section, or change the name

under which it is licensed or operates, unless it has first complied with the provisions of Section 881.

(2) Depending upon the county or counties in which the company is licensed to transact business, it shall maintain required minimum net worth as follows:

Aggregate number of documents recorded and documents filed in the offices of the county recorders in the preceding calendar year in all counties where the company is licensed to transact business. Number of documents	Amount of required minimum net worth
Less than 10,000	$20,000
10,000 to 50,000	30,000
50,000 to 100,000	60,000
100,000 to 500,000	100,000
500,000 to 1,000,000	150,000
1,000,000 or more	200,000

"Net worth" is defined as the excess of assets over all liabilities and required reserves. It may carry as an asset the actual cost of its title plant provided the value ascribed to such asset shall not exceed the lesser of: (a) the actual cost thereof, or (b) 50 percent of its stated capital, as defined in Section 1900 of the Corporations Code.

Where the information in the title plant is not being kept current, the asset value of such plant shall not exceed the actual cost less 20 percent of the actual cost for each 12-month period, immediately preceding the date such asset is valued for purposes of this subdivision, that the title plant is not actually maintained.

An underwritten title company at all times shall maintain current assets of at least ten thousand dollars ($10,000) in excess of its current liabilities, as such current assets and liabilities may be defined pursuant to regulations made by the commissioner. In making such regulations, the commissioner shall be guided by generally accepted accounting principles followed by certified public accountants in this state.

(3) Such an underwritten title company shall obtain from the commissioner a license to transact its business. Such license shall not be granted until the applicant conforms to the requirements of this section and all other provisions of this code specifically applicable to applicant. After issuance the holder shall continue to comply with the requirements as to its business set forth in this code, in the applicable rules and regulations of the commissioner and in the laws of this state.

Any underwritten title company who possesses, or is required to possess, a license pursuant to this section shall be subject as if an insurer to the provisions of Article 8 (commencing with Section 820)

of Chapter 1 of Part 2 of Division 1 of this code and shall be deemed to be subject to authorization by the Insurance Commissioner within the meaning of subdivision (e) of Section 25100 of the Corporations Code.

Such license may be obtained by filing an application on a form prescribed by the commissioner accompanied by a filing fee of three hundred dollars ($300). Such license when issued shall be for an indefinite term and shall expire with the termination of the existence of the holder, subject to the annual renewal fee imposed under Sections 12415 and 12416.

An underwritten title company seeking to extend its license to an additional county shall pay a one-hundred-seventy-five-dollar ($175) fee for each such additional county, and shall furnish to the commissioner evidence, at least sufficient to meet the minimum net worth requirements of paragraph (2), of its financial ability to expand its business operation to include such additional county or counties.

(4) Such an underwritten title company shall furnish an audit to the commissioner on the forms provided by the commissioner annually, either on a calendar year basis on or before March 31st or, if approved in writing by the commissioner in respect to any individual company, on a fiscal year basis on or before 90 days after the end of the fiscal year. The time for furnishing any such audit may be extended, for good cause shown, on written approval of the commissioner for a period, not to exceed 60 days. Failure to submit an audit on time, or within such extended time as the commissioner may grant, shall be grounds for an order by the commissioner to accept no new business pursuant to subdivision (d). Such audits shall be private, except that a synopsis of the balance sheet on a form prescribed by the commissioner may be made available to the public.

The audits shall be made in accordance with generally accepted auditing standards by an independent certified public accountant or independent licensed public accountant approved by the commissioner specifically for the particular company. Approval of an auditor for a particular company shall not be deemed to be a licensing of the auditor nor approval of the auditor for any other company or any other purpose. Any such approval, or the renewal thereof, shall automatically expire on the first day of January in the fifth calendar year following the date of original or renewal approval. The fee for filing an application for such approval or the renewal thereof shall be seventeen dollars and fifty cents ($17.50). The fee for filing the audit shall be thirty-seven dollars and fifty cents ($37.50).

The commissioner may deny or revoke approval or renewal of approval of an auditor for any of the following reasons:

(i) Adverse result in any proceeding before the State Board of Accountancy affecting the auditor's license;

(ii) The auditor has an affiliation with the underwritten title company or any of its officers or directors which would prevent his reports on the company from being reasonably objective;

(iii) The auditor has suffered conviction of any misdemeanor or felony based on his activities as an accountant; or

(iv) Judgment adverse to the auditor in any civil action finding him guilty of fraud, deceit or misrepresentation in the practice of his profession.

Any company which fails to file any audit or other report on or before the date it is due shall pay to the commissioner a penalty fee of one hundred dollars ($100) and on failure to pay such or any other fee or file the audit required by this section shall forfeit the privilege of accepting new business until the delinquency is corrected.

(b) Such an underwritten title company may engage in the escrow business and act as escrow agent provided that:

(1) All funds deposited with the company in connection with any escrow shall be deposited in a bank in a separate trust account, and such funds shall be the property of the person or persons entitled thereto under the provisions of the escrow and segregated escrow by escrow in the records of the company. Such funds shall not be subject to any debts of the company and shall be used only to fulfill the terms of the individual escrow under which the funds were accepted and none of such funds shall be used until all conditions of the escrow have been met.

Bona fide drafts executed by persons fully responsible financially may at the option of the company, be deemed the equivalent of funds already cleared into such bank deposit unless another law of this state prohibits such persons from tendering such drafts to escrow holders for the purpose of closing escrows.

Any interest received on funds deposited with the company in connection with any escrow which are deposited in a bank shall be paid over to the depositing party to the escrow and shall not be transferred to the account of the company.

(2) It shall maintain record of all receipts and disbursements of escrow funds.

(3) It shall deposit seven thousand five hundred dollars ($7,500) for each county in which it transacts business in some form permitted by Section 12351 with the commissioner who shall forthwith make a special deposit thereof in the State Treasury and such deposit shall be subject to the provisions of Sections 12353, 12356, 12357, and 12358 and as long as there are no claims against the deposit all interest and dividends thereon shall be paid to the depositor. The deposit shall be for the security and protection of persons having lawful claims against the depositor growing out of escrow transactions with it. Such deposit shall be maintained until four years after all escrows handled by the depositor have been closed.

(A) The commissioner may release such deposits prior to the passage of such four-year period upon presentation of evidence satisfactory to the commissioner of either a statutory merger of the depositor into a licensee or certificate holder subject to the jurisdiction of the commissioner, or a valid assumption agreement under which all liability of the depositor stemming from escrow

transactions handled by it is assumed by a licensee or certificate holder subject to the jurisdiction of the commissioner.

(B) With the foregoing exceptions, the deposit shall be returned to the depositor or lawful successor in interest following the four-year period, upon presentation of evidence satisfactory to the commissioner that there are no claims against the deposit stemming from escrow transactions handled by the depositor. If the commissioner has evidence of one or more claims against the depositor, and the depositor is not in conservatorship or liquidation, the commissioner may interplead the deposit by special endorsement to a court of competent jurisdiction for distribution on the basis that claims against the depositor stemming from escrow transactions handled by it have priority in such distribution over other claims against the depositor.

(4) It shall obtain and maintain a fidelity bond on file with the commissioner, to cover all officers and employees of the company who participate in any escrow transaction that is handled by the company. Such bond shall be a blanket bond or, with the approval of the commissioner, may be a position or individual bond. The commissioner shall prescribe the amount of the bond which shall not exceed two hundred thousand dollars ($200,000).

(c) The commissioner shall, whenever it appears necessary, examine the business and affairs of a company licensed under this section. All such examinations shall be at the expense of the company.

(d) At any time that the commissioner determines, after notice and hearing, that a company licensed under this section has willfully failed to comply with any of the provisions of this section, the commissioner shall make his order prohibiting the company from conducting its business for a period of not more than one year.

Any company violating such an order is subject to seizure under Article 14 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1 is guilty of a misdemeanor and may have its license revoked by the commissioner. Any person aiding and abetting any company in a violation of such an order is guilty of a misdemeanor.

The purpose of this section is to maintain the solvency of the companies subject to this section and to protect the public by preventing fraud and requiring fair dealing. In order to carry out such purposes the commissioner may make reasonable rules and regulations to govern the conduct of its business of companies subject to this section.

The name under which each underwritten title company is licensed shall at all times be an approved name. Each such company shall be subject to the provisions of Article 14 (commencing with Section 1010) and Article 14.5 (commencing with Section 1065.1) of Chapter 1 of Part 2 of Division 1.

Such rules and regulations shall be adopted, amended or repealed in accordance with the procedure provided in Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2

of the Government Code.

SEC. 41. Section 12416 of the Insurance Code is amended to read:

12416. Each certificated title insurer possessing a certificate of authority of indefinite term pursuant to Section 701 shall owe and pay an annual renewal fee of three hundred fifty dollars ($350) in lawful money of the United States. Each underwritten title company possessing a license of indefinite term pursuant to Section 12389 shall owe and pay an annual renewal fee of two hundred dollars ($200), except that: (a) where the aggregate number of documents recorded and documents filed in the offices of the county recorders in the preceding calendar year in all counties where the company is licensed to transact business is less than 50,000, such company shall owe and pay an annual renewal fee of one hundred dollars ($100), or (b) where the aggregate number of documents recorded and documents filed in the offices of the county recorders in the preceding calendar year in all counties where the company is licensed to transact business is more than 50,000 but less than 100,000, such company shall owe and pay an annual renewal fee of one hundred fifty dollars ($150). Such fees shall be for annual periods commencing on July 1 of each year and ending on June 30 of each year, and shall be due on March 1st preceding the annual period for which such fees are charged, and shall be delinquent on and after April 1st next following the date when due.

SEC. 42. Section 12973 of the Insurance Code is amended to read:

12973. The commissioner shall require in advance, in lawful money of the United States as a fee for issuing certificates when the fee is not otherwise specified, sums as follows: (a) where there is sufficient demand so that the commissioner in his discretion has prepared a form of the certificate in advance, which requires only the filling in of blanks for completion, seven dollars and fifty cents ($7.50); and (b) for issuing any other certificate, the reasonable cost of preparing and issuing such certificate, but not to exceed twenty dollars ($20) for the first copy of such certificate and seven dollars and fifty cents ($7.50) for each additional copy thereof.

SEC. 43. Section 12973.5 of the Insurance Code is amended to read:

12973.5. The commissioner shall charge and collect in advance the following fees:

(a) For filing any application for a license, permit, or certificate of authority when a fee for either filing the application or issuing the license, permit, or certificate is not elsewhere specified in this code, seventeen dollars and fifty cents ($17.50).

(b) For filing any application to take any qualifying examination required by this code to be taken by a licensee other than an insurer, or to be taken by any applicant for a license other than a certificate of authority when a fee for filing such application or giving such examination is not elsewhere specified in this code, twenty-five

dollars ($25).

SEC. 44. It is the intent of the Legislature, if this bill and Senate Bill No. 1915 are both chaptered and become effective January 1, 1977, both bills amend Section 12389 of the Insurance Code, and this bill is chaptered after Senate Bill No. 1915, that the amendments to Section 12389 proposed by both bills be given effect and incorporated in Section 12389 in the form set forth in Section 40 of this act. Therefore, Section 40 of this act shall become operative only if this bill and Senate Bill No. 1915 are both chaptered and become effective January 1, 1977, both amend Section 12389, and this bill is chaptered after Senate Bill No. 1915, in which case Section 39 of this act shall not become operative.

CHAPTER 880

An act to amend Sections 11452, 18904, and 18904.1 of, and to add Section 18904.2 to, the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11452 of the Welfare and Institutions Code is amended to read:

11452. Minimum basic standards of adequate care shall be distributed to the counties and shall be binding upon them. Such standards are hereby determined on the basis of the schedule set forth in this section, as adjusted for cost-of-living increases or decreases pursuant to Section 11453, which schedule is designed to insure:

(1) Safe, healthful housing.

(2) Minimum clothing for health and decency.

(3) Low-cost adequate food budget meeting recommended dietary allowances of the National Research Council.

(4) Utilities.

(5) Other items including household operation, education and incidentals, recreation, personal needs, and insurance.

(6) Allowance for essential medical, dental, or other remedial care to the extent not otherwise provided at public expense.

(7) Other recurring special needs.

The schedule of minimum basic standards of adequate care is as follows:

Number of needy persons in the same family	Minimum basic standards of adequate care
1	$168
2	282
3	343
4	422
5	487
6	549
7	604
8	667
9	730
10	794

plus seven dollars ($7) for each additional needy person.

The department shall establish rules and regulations assuring the uniform application statewide of the provisions of this section.

SEC. 1.5. Section 18904 of the Welfare and Institutions Code is amended to read:

18904. Regulations, orders or standards of general application to implement, interpret or make specific the law relating to this chapter shall be adopted, amended or repealed only in accordance with Section 10554. In adopting such rules and regulations, the director shall publish a schedule of charges to be made for food stamps, graduated on the basis of incomes of eligible households. The director shall also provide for three methods as described in Section 18904.1 by which a county welfare department shall sell food stamps to eligible households. To the extent permitted by federal law, the director may, at county request, waive use of public assistance withholding or direct mail issuance, or both, in a county if the director finds that the conditions for waiver as described in Section 18904.2 are met.

SEC. 2. Section 18904.1 of the Welfare and Institutions Code is amended to read:

18904.1. The purpose of this section is to guarantee to low-income households the health-vital nutritional benefits available under this chapter and to achieve the most efficient system for program administration so as to minimize administrative costs.

(a) The director, to the extent permitted by federal law, shall immediately establish the following procedures for food stamp issuance in all counties:

(1) Every eligible household has the right to have either once or twice a month food stamp issuance regardless of the source or frequency of household income except that households which have no purchase requirement may be issued coupons monthly at county option.

(2) Procedures for over-the-counter issuance, direct mailing issuance, and public assistance withholding shall be established.

(b) Each procedure shall include, but not be limited to, the

following:

(1) For eligible households (including mixed households which include one or more recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of this division or Part 5 (commencing with Section 17000) of this division), as follows:

(i) Withholding by the county welfare department from the public assistance grants to which members of the household are entitled an amount equal to the charge for food stamps established for the household at the eligible household's option;

(ii) Allowing eligible households to select either of the methods described in paragraph (2) of this subdivision of this section in lieu of public assistance withholding.

(iii) If feasible for the county, arranging with recipients in households which receive one or more public assistance warrants a month who wish to participate in public assistance withholding plans established by this section the amounts which shall be deducted from one or more warrants to meet the charges for food stamps so as to provide maximum flexibility and convenience to such recipients.

(iv) The food stamps and the public assistance warrants shall be received at the same time.

(2) For all other eligible households:

(i) Enabling such households to remit the purchase price by mail to the county welfare department, or to an agent operating under a contract with the county welfare department, and to receive the food stamps by return mail; or

(ii) Enabling such households to choose the over-the-counter method of purchasing food stamps.

(c) Nothing in this section shall be construed to prohibit counties from directly issuing coupons to households which do not have a purchase requirement.

SEC. 3. Section 18904.2 is added to the Welfare and Institutions Code, to read:

18904.2. (a) The director of a county welfare department may seek a waiver of public assistance withholding or direct mail issuance, or both, required by Section 18904.1 if the county director establishes that one or more of the conditions described in subdivision (c) of this section exist in the county. The request for waiver shall be in writing and shall describe the reasons for the request. The county director shall submit a copy of the waiver request to the county board of supervisors.

(b) Upon receipt of a waiver request from a county, the director shall decide whether to grant the waiver in accordance with the following procedure. The director shall consider the waiver in light of the facts presented in the waiver request. If the director finds that the facts presented in the waiver request establish that one or more of the conditions described in paragraph (1) or (2) of subdivision (c) of this section exist in the county and that waiver of the public assistance withholding or direct mail method of food stamp issuance will not substantially impair the ability of eligible households to

obtain food stamps, he may waive the use of that method of food stamp issuance in the county. The director shall notify the county welfare director of this decision within 60 days of the receipt of the request, and shall send a copy of his decision to the county board of supervisors.

(c) The conditions under which a method of food stamp issuance may be waived are as follows:

(1) Direct mail issuance may be waived when reasonable access is afforded recipients by over-the-counter issuance:

(2) Public assistance withholding issuance may be waived when:

(i) A potentially high mail loss rate exists, or

(ii) The cost is excessive, or

(iii) Less than 10 percent of those eligible have elected to use this method.

SEC. 3.5. Section 1 of this act shall become operative January 1, 1977.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to provide flexibility to the counties in administering the food stamp program and conserve available funds it is essential that this act take immediate effect.

CHAPTER 881

An act to add Sections 27584 and 27585 to the Government Code, relating to survey monuments.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 27584 is added to the Government Code, to read:

27584. The board may establish a survey monument preservation fund to pay the necessary expenses incurred or authorized by the county surveyor in any retracement or remonument survey of major historical land division lines upon which later surveys are based, such as, but not limited to, government section lines, rancho lines, grant lines, rancho section lines, acreage subdivision lot lines, and subdivision boundary lines within such county.

The county surveyor may authorize a city engineer to perform such surveys within subject city or may contract with any surveyor in private practice to perform such surveys. When a city engineer or contract surveyor performs such surveys, he shall submit notes of such surveys to the county surveyor. Such notes shall be of the quality

and size as may be necessary to conform to the standardized office records of the county surveyor. The county surveyor shall prepare a map of the survey and make such map a part of his public records within 90 days after completion of his fieldwork.

SEC. 2. Section 27585 is added to the Government Code, to read:

27585. For the limited purpose of financing the survey monumentation preservation fund pursuant to Section 27584, the board may impose a user fee, not to exceed ten dollars ($10), which shall be charged and collected by the county recorder, over and above any other fees required by law, as a condition precedent to the filing or recording of any grant deed conveying real property. Grant deeds conveying lots created by recorded tract maps shall be exempt from such fees. Such fees shall be forwarded monthly by the county recorder to the county treasurer for deposit to the county survey monument preservation fund. Following the establishment of the fund, the board of supervisors may extinguish the fund if a finding is made by the board that the need for the fund no longer exists.

Notwithstanding the provisions of Section 2231 of the Revenue and Taxation Code, under no circumstances shall funds collected by the county recorder for the survey monument preservation fund be directed into any other fund or be used for any other purpose.

SEC. 3. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

CHAPTER 882

An act to amend Section 8751 of, and to add Section 8556 to, the Fish and Game Code, relating to fish and game.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 8556 is added to the Fish and Game Code, to read:

8556. Notwithstanding any other provision of law, the commission shall determine, by regulation, if drift or set gill nets may be used to take herring for commercial purposes. The commission may also determine, by regulation, the size of the meshes of the material used to make such gill nets.

SEC. 2. Section 8751 of the Fish and Game Code is amended to read:

8751. In Districts 1, 2, and 3, round haul nets may not be possessed on any boat, except in that part of District 3 lying within the

boundaries of the Moss Landing Harbor District, where round haul or any other type of nets may be possessed on any boat, and except in that part of District 2 lying within Marin County.

CHAPTER 883

An act to amend Section 81012 of the Government Code, relating to Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 81012 of the Government Code is amended to read:

81012. This title may be amended or repealed by the procedures set forth in this section. If any portion of subsection (a) is declared invalid, then subsection (b) shall be the exclusive means of amending or repealing this title.

(a) This title may be amended to further its purposes by statute, passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring and signed by the Governor, if at least 20 days prior to passage in each house the bill in its final form has been delivered to the commission for distribution to the news media and to every person who has requested the commission to send copies of such bills to him.

(b) This title may be amended or repealed by a statute that becomes effective only when approved by the electors.

SEC. 2. This is an urgency statute, necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution, and shall go into immediate effect. The facts constituting such necessity are:

In order to make the amendment procedure provided by this act applicable to all pending bills, including urgency bills, of the 1975–76 session which would amend the Political Reform Act of 1974 (Title 9 (commencing with Section 81000), Government Code) to further the act's purposes, it is necessary that this act go into immediate effect.

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CHAPTER 884

An act to amend Section 13529 of the Education Code, relating to certificated employees.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 13529 of the Education Code is amended to read:

13529. The salary payment due a certificated employee for his last month of service in any district during any fiscal year shall not be approved by the county superintendent of schools until all reports required from the employee have been filed with the superintendent. Such payment shall be made within 10 calendar days after the filing of all such reports if after the regular payday or the last month of service.

SEC. 2. There are no state-mandated costs within the meaning of Section 2231 of the Revenue and Taxation Code imposed on local governmental entities by this act.

CHAPTER 885

An act to amend Section 609 of the Probate Code, relating to fees of inheritance tax referees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 609 of the Probate Code is amended to read:

609. Each referee shall receive from each estate appraised by him as compensation for his services commissions upon the total value of the assets appraised by him as follows: for the first five hundred thousand dollars ($500,000), a fee of one-tenth of 1 percent thereof, but not less than a minimum fee of twenty-five dollars ($25) for each estate, including estates consisting only of assets defined in paragraph 1, subdivision (a) of Section 605, and an additional twenty-five dollars ($25) for each estate in which recomputation of the tax is necessary after the inheritance tax report has been completed unless such recomputation is required as a result of an error or omission of the referee; for all over five hundred thousand dollars ($500,000), a fee of one-twentieth of 1 percent thereof, not to exceed a maximum of five thousand dollars ($5,000). In addition to

the fee herein provided each referee is entitled to receive his actual and necessary expenses, to be allowed by the court; and he must file, with the inventory, a verified account of his disbursements.

Excepting the minimum fee provided for in this section, the fee shall not apply to items appraised by the executor or administrator under the provisions of paragraph (1) of subdivision (a) of Section 605.

Upon application of the referee, the court may allow a fee in excess of the maximum of five thousand dollars ($5,000) if the court determines that the reasonable value of the referee's services exceeds such amount.

SEC. 2. This act shall apply to any appointment of an inheritance tax referee made on or after the effective date hereof.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to prevent overcompensation for appraisal services and unwarranted reduction of estates, this act must go into effect immediately.

CHAPTER 886

An act to amend Sections 17052.5, 17146.5, 17233, 17839, 18098, 18433, 23601, 25952, and 25954 of, to add Sections 17122, 17597, 24274, 24685, and 25402 to, and to repeal Sections 17025, 17122, 24274, and 25402 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 17025 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 17052.5 of the Revenue and Taxation Code is amended to read:

17052.5. (a) There shall be allowed as a credit against the amount of "net tax" (as defined in subdivision (e)) an amount equal to 10 percent of the cost (including installation charges but excluding interest charges) incurred by the taxpayer of solar energy devices on premises in California which are owned and controlled by the taxpayer at the time of installation. The credit shall be taken in the year of installation and shall not exceed one thousand dollars ($1,000).

(b) The credit for such cost shall be in lieu of any deduction under this part to which the taxpayer otherwise may be entitled, if any.

(c) The basis of any device for which a credit is allowed shall either be reduced to its salvage value at the end of its useful life, or reduced by the amount of the credit, whichever results in the lesser basis.

(d) In the case of a husband or wife who files a separate return, the credit may be taken by either or equally divided between them.

(e) For the purposes of this section, the term "net tax" means the tax imposed under either Section 17041 or 17048 minus the credit for retirement income provided for in Section 17053, the credits for personal exemption provided for in Section 17054, and the credits for taxes paid other states provided for in Chapter 12 (commencing with Section 18001).

(f) The tax credit provided by this section shall not apply to trusts or estates subject to tax under this part.

(g) The term "solar energy device" means equipment—

(1) Which uses solar energy to heat or cool or produce electricity;

(2) The original use of which commences with the taxpayer; and

(3) Which has a useful life of at least three years.

(h) The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

SEC. 3. Section 17122 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 17122 is added to the Revenue and Taxation Code, to read:

17122. There shall be included in gross income for the taxable year for which an increase is required—

(1) The amount of any increase in the suspense account required by clause (ii) of subparagraph (B) of paragraph (4) of subdivision (g) of Section 17207 (relating to certain debt obligations guaranteed by dealers).

(2) The amount of any increase in the suspense account required by subparagraph (B) of paragraph (2) of subdivision (c) of Section 17597 (relating to accrual of vacation pay).

SEC. 5. Section 17146.5 of the Revenue and Taxation Code is amended to read:

17146.5. (a) Gross income does not include compensation received for active service as a member below the grade of commissioned officer in the armed forces of the United States for any month during any part of which such member—

(1) Served in a combat zone or

(2) Was hospitalized as a result of wounds, disease, or injury incurred while serving in a combat zone if such hospitalization occurs prior to such member first resuming full duty status following such service, or his termination of active military duty, whichever first occurs.

(b) Gross income does not include so much of the compensation as does not exceed five hundred dollars ($500) received for active service as a commissioned officer in the armed forces of the United States for any month during any part of which such officer—

(1) Served in a combat zone or

(2) Was hospitalized as a result of wounds, disease, or injury incurred while serving in a combat zone if such hospitalization occurs prior to such officer first resuming full duty status following such service or his termination of active military duty, whichever first occurs.

(c) For purposes of this section—

(1) The term "commissioned officer" does not include a commissioned warrant officer.

(2) The term "combat zone" means any area which the President of the United States by executive order designates, for purposes of Section 112 of the Internal Revenue Code of 1954, as an area in which armed forces of the United States are or have engaged in combat.

(3) Service is performed in a combat zone only if performed on or after the date designated by the President by executive order as the date of the commencing of combatant activities in such zone, and on or before the date designated by the President by executive order as the date of the termination of combatant activities in such zone.

(4) The term "compensation" does not include pensions and retirement pay.

(d) (1) Gross income does not include compensation received for active service as a member of the armed forces of the United States, for any month during any part of which such member is in a missing status (as defined in Section 551(2) of Title 37 of the United States Code) during the Vietnam Conflict as a result of such conflict, other than a period with respect to which it is officially determined (under Section 552 of such title) that he is officially absent from his post of duty without authority.

(2) Gross income does not include compensation received for active service as an employee for any month during any part of which such employee is in a missing status during the Vietnam Conflict as a result of such conflict. For purposes of this paragraph the terms "active service," "employee" and "missing status" have the respective meaning given to such terms by Section 5561 of Title 5 of the United States Code.

(3) For purposes of this part, the Vietnam Conflict began August 5, 1964, and ends on the date designated by the President by executive order as the date of the termination of combatant activities in Vietnam. For purposes of this subdivision, an individual is in a missing status as a result of the Vietnam Conflict if immediately before such status began he was performing service in Vietnam or was performing service in southeast Asia in direct support of military operations in Vietnam.

(e) The amendments to this section at the 1973–74 Regular Session of the Legislature are applicable to compensation, received by members of the armed forces of the United States described in subdivision (d) and those employees described in subdivision (d), on which the tax under this part is not due and payable prior to the date of this amendment, by virtue of the operation of Section 18434 or

18470 of this code.

SEC. 6. Section 17233 of the Revenue and Taxation Code is amended to read:

17233. (a) In the case of an activity engaged in by an individual, if such activity is not engaged in for profit, no deduction attributable to such activity shall be allowed under this part except as provided in this section.

(b) In the case of an activity not engaged in for profit to which subsection (a) applies, there shall be allowed—

(1) The deductions which would be allowable under this part for the taxable year without regard to whether or not such activity is engaged in for profit, and

(2) A deduction equal to the amount of the deductions which would be allowable under this part for the taxable year only if such activity were engaged in for profit, but only to the extent that the gross income derived from such activity for the taxable year exceeds the deductions allowable by reason of paragraph (1).

(c) For purposes of this section, the term "activity not engaged in for profit" means any activity other than one with respect to which deductions are allowable for the taxable year under Section 17202 or under subdivision (a) or (b) of Section 17252.

(d) If the gross income derived from an activity for two or more of the taxable years in the period of five consecutive taxable years which ends with the taxable year exceeds the deductions attributable to such activity (determined without regard to whether or not such activity is engaged in for profit), then, unless the Franchise Tax Board establishes to the contrary, such activity shall be presumed for purposes of this chapter for such taxable year to be an activity engaged in for profit. In the case of an activity which consists in major part of the breeding, training, showing, or racing of horses, the preceding sentence shall be applied by substituting the period of seven consecutive taxable years for the period of five consecutive taxable years.

(e) (1) A determination as to whether the presumption provided by subdivision (d) applies with respect to any activity shall, if the taxpayer so elects, not be made before the close of the fourth taxable year (sixth taxable year in the case of an activity described in the last sentence of such subdivision) following the taxable year in which the taxpayer first engages in the activity. For purposes of the preceding sentence, a taxpayer shall be treated as not having engaged in an activity during any taxable year beginning before January 1, 1970.

(2) If the taxpayer makes an election under paragraph (1), the presumption provided by subdivision (d) shall apply to each taxable year in the five-taxable year (or seven-taxable year) period beginning with the taxable year in which the taxpayer first engages in the activity, if the gross income derived from the activity for two or more of the taxable years in such period exceeds the deductions attributable to the activity (determined without regard to whether or not the activity is engaged in for profit).

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(3) An election under paragraph (1) shall be made at such time and manner, and subject to such terms and conditions, as the Franchise Tax Board or its delegate may prescribe.

SEC. 7. Section 17597 is added to the Revenue and Taxation Code, to read:

17597. (a) At the election of a taxpayer whose taxable income is computed under an accrual method of accounting, if the conditions of Section 17202 are otherwise satisfied, the deduction allowable under Section 17202 with respect to vacation pay shall be an amount equal to the sum of—

(1) A reasonable addition to an account representing the taxpayer's liability for vacation pay earned by employees before the close of the taxable year and payable during the taxable year or within 12 months following the close of the taxable year; plus

(2) The amount (if any) of the reduction at the close of the taxable year in the suspense account provided in paragraph (2) of subdivision (c).

Such liability for vacation pay earned before the close of the taxable year shall include amounts which, because of contingencies, would not (but for this section) be deductible under Section 17202 as an accrued expense. All payments with respect to vacation pay shall be charged to such account.

(b) The opening balance of the account described in paragraph (1) of subdivision (a) for its first taxable year shall, under regulations prescribed by the Franchise Tax Board, be—

(1) In the case of a taxpayer who maintained a predecessor account for vacation pay under Section 97 of the Technical Amendments Act of 1958 (P.L. 85-866), as amended, for his last taxable year ending before January 1, 1976, and who makes an election under this section for his first taxable year ending after December 31, 1975, the larger of—

(A) The balance in such predecessor account at the close of such last taxable year, or

(B) The amount determined as if the taxpayer had maintained an account described in paragraph (1) of subdivision (a) for such last taxable year,

or

(2) In the case of any taxpayer not described in paragraph (1), an amount equal to the largest closing balance the taxpayer would have had for any of the taxpayer's three taxable years immediately preceding such first taxable year if the taxpayer had maintained such account throughout such three immediately preceding taxable years.

(c) (1) The amount of the suspense account at the beginning of the first taxable year for which the taxpayer maintains under this section an account (described in paragraph (1) of subdivision (a)) shall be the amount of the opening balance described in subdivision (b) minus the amount, if any, allowed as deductions for prior taxable years for vacation pay accrued but not paid at the close of the taxable year preceding such first taxable year.

(2) At the close of each taxable year the suspense account shall be—

(A) Reduced by the excess, if any, of the amount in the suspense account at the beginning of the taxable year over the amount in the account described in paragraph (1) of subdivision (a) at the close of the taxable year (after making the additions and charges for such taxable year provided in subdivision (a)), or

(B) Increased (but not to an amount greater than the initial balance of the suspense account) by the excess, if any of the amount in the account described in paragraph (1) of subdivision (a) at the close of the taxable year (after making the additions and charges for such taxable year provided in subdivision (a)) over the amount in the suspense account at the beginning of the taxable year.

(d) An election under this section shall be made at such time and in such manner as the Franchise Tax Board may by regulations prescribe.

(e) (1) The establishment of an account described in paragraph (1) of subdivision (a) shall not be considered a change in method of accounting for purposes of subdivision (e) of Section 17561 (relating to the requirement respecting change of accounting method), and no adjustment shall be required under Section 17611 by reason of the establishment of such account.

(2) If the taxpayer treated vacation pay under Section 97 of the Technical Amendments Act of 1958 (P.L. 85-866), as amended, for his last taxable year ending before January 1, 1976, and if such taxpayer fails to make an election under this section for his first taxable year ending after December 31, 1975, then, for purposes of Section 17611, such taxpayer shall be treated as having initiated a change in method of accounting with respect to vacation pay for his first taxable year ending after December 31, 1975.

SEC. 8. Section 17839 of the Revenue and Taxation Code is amended to read:

17839. (a) In the case of any individual who dies after August 5, 1964, while in active service as a member of the armed forces of the United States, if such death occurred while serving in a combat zone (as determined in Section 17146.5) or as a result of wounds, disease, or injury incurred while so serving, any tax imposed by this part shall not apply with respect to the taxable year in which falls the date of his death, or with respect to any prior consecutive taxable year ending on or after the first day he so served in a combat zone.

(b) Subdivision (a) is applicable to taxable years ending prior to January 1, 1974, for which the tax under this part is not due and payable by virtue of the operation of Section 18434 or 18470 of this code, and to any later taxable years not later than the taxable year in which occurs the date of death of a person in missing status under subdivision (c).

(c) For purposes of this section, in cases of persons in missing status, as such status is referred to in subdivision (b) of Section 13872, the date of death shall be determined in the same manner as in

subdivision (b) of Section 13872.

SEC. 9. Section 18098 of the Revenue and Taxation Code is amended to read:

18098. The running of any period of time specified in Section 18091 or 18093 (other than the 18 months referred to in Section 18093(d)) shall be suspended during any time that the taxpayer (or his spouse if the old residence and the new residence are each used by the taxpayer and his spouse as their principal residence) serves on extended active duty with the armed forces of the United States after the date of the sale of the old residence, except that any such period as so suspended shall not extend beyond the date four years after the date of the sale of the old residence. For the purpose of this section, the term "extended active duty" means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

SEC. 10. Section 18433 of the Revenue and Taxation Code is amended to read:

18433. (a) A reasonable extension of time for filing any return, declaration, statement or other document or for payment of tax required by this part may be granted by the Franchise Tax Board whenever in its judgment good cause exists. Except for taxpayers residing or traveling abroad, requests for extensions must be made on or before the due date for filing the return, declaration, statement, or other document. Except in the case of taxpayers who are residing or traveling abroad, no such extension or extensions shall be for more than six months, except that no such extension or extensions of the time for filing and payment of withheld tax under Section 18491 may exceed 60 days.

(b) In the case of taxpayers residing or traveling abroad, returns shall be filed no later than the 15th day of the sixth month following the close of the taxable year unless a request for extension has been made on or before the above date.

SEC. 11. Section 23601 of the Revenue and Taxation Code is amended to read:

23601. (a) There shall be allowed as a credit against the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) an amount equal to 10 percent of the costs (including installation charges but excluding interest charges) incurred by the taxpayer of solar energy devices on premises in California which are owned and controlled by the taxpayer at the time of installation. The credit shall be taken in the year of installation and shall not exceed one thousand dollars ($1,000).

(b) The credit for such cost shall be in lieu of any deduction under this part to which the taxpayer otherwise may be entitled, if any.

(c) The basis of any device for which a credit is allowed shall either be reduced to its salvage value at the end of its useful life, or reduced by the amount of the credit, whichever results in the lesser basis.

(d) When either (1) the income from sources within this state of

two or more corporations which are commonly owned or controlled is determined in accordance with Chapter 17 (commencing with Section 25101) of this part or Part 18 (commencing with Section 38001) of this division, or (2) two or more commonly owned or controlled corporations derive income from sources solely within this state, whose business activities are such that if conducted within and without this state, the income derived from sources within this state would be determined in accordance with Chapter 17 (commencing with Section 25101) of this part or Part 18 (commencing with Section 38001) of this division (hereinafter referred to as "wholly intrastate corporations"), then such corporations shall determine the credit prescribed in subdivision (a) as if such corporations were one corporation. As to wholly intrastate corporations, the amount of the credit prescribed in subdivision (a) shall be prorated among them in the ratio to which the cost of such device to each corporation bears to the total cost of such devices for all corporations.

(e) The term "solar energy device" means equipment—

(1) Which uses solar energy to heat or cool or produce electricity;

(2) The original use of which commences with the taxpayer; and

(3) Which has a useful life of at least three years.

(f) The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

SEC. 12. Section 24274 of the Revenue and Taxation Code is repealed.

SEC. 13. Section 24274 is added to the Revenue and Taxation Code, to read:

24274. There shall be included in gross income for the income year for which an increase is required—

(1) The amount of any increase in the suspense account required by clause (ii) of subparagraph (B) of paragraph (4) of subdivision (b) of Section 24348 (relating to certain debt obligations guaranteed by dealers).

(2) The amount of any increase in the suspense account required by subparagraph (B) of paragraph (2) of subdivision (c) of Section 24685 (relating to accrual of vacation pay).

SEC. 14. Section 24685 is added to the Revenue and Taxation Code, to read:

24685. (a) At the election of a taxpayer whose net income is computed under an accrual method of accounting, if the conditions of Section 24343 are otherwise satisfied, the deduction allowable under Section 24343 with respect to vacation pay shall be an amount equal to the sum of—

(1) A reasonable addition to an account representing the taxpayer's liability for vacation pay earned by employees before the close of the income year and payable during the income year or within 12 months following the close of the income year; plus

(2) The amount (if any) of the reduction at the close of the income year in the suspense account provided in paragraph (2) of subdivision (c).

Such liability for vacation pay earned before the close of the income year shall include amounts which, because of contingencies, would not (but for this section) be deductible under Section 24343 as an accrued expense. All payments with respect to vacation pay shall be charged to such account.

(b) The opening balance of the account described in paragraph (1) of subdivision (a) for its first income year shall, under regulations prescribed by the Franchise Tax Board, be—

(1) In the case of a taxpayer who maintained a predecessor account for vacation pay under Section 97 of the Technical Amendments Act of 1958 (P.L. 85-866), as amended, for his last income year ending before January 1, 1976, and who makes an election under this section for his first income year ending after December 31, 1975, the larger of—

(A) The balance in such predecessor account at the close of such last income year, or

(B) The amount determined as if the taxpayer had maintained an account described in paragraph (1) of subdivision (a) for such last income year,

or

(2) In the case of any taxpayer not described in paragraph (1), an amount equal to the largest closing balance the taxpayer would have had for any of the taxpayer's three income years immediately preceding such first income year if the taxpayer had maintained such account throughout such three immediately preceding income years.

(c) (1) The amount of the suspense account at the beginning of the first income year for which the taxpayer maintains under this section an account (described in paragraph (1) of subdivision (a)) shall be the amount of the opening balance described in subdivision (b) minus the amount, if any, allowed as deductions for prior income years for vacation pay accrued but not paid at the close of the income year preceding such first income year.

(2) At the close of each income year the suspense account shall be—

(A) Reduced by the excess, if any, of the amount in the suspense account at the beginning of the income year over the amount in the account described in paragraph (1) of subdivision (a) at the close of the income year (after making the additions and charges for such income year provided in subdivision (a)), or

(B) Increased (but not to an amount greater than the initial balance of the suspense account) by the excess, if any of the amount in the account described in paragraph (1) of subdivision (a) at the close of the income year (after making the additions and charges for such income year provided in subdivision (a)) over the amount in the suspense account at the beginning of the income year.

(d) An election under this section shall be made at such time and in such manner as the Franchise Tax Board may by regulations prescribe.

(e) (1) The establishment of an account described in paragraph (1) of subdivision (a) shall not be considered a change in method of accounting for purposes of subdivision (e) of Section 24651 (relating to requirement respecting change of accounting method), and no adjustment shall be required under Section 24721 by reason of the establishment of such account.

(2) If the taxpayer treated vacation pay under Section 97 of the Technical Amendments Act of 1958 (P.L. 85-866), as amended, for his last income year ending before January 1, 1975, and if such taxpayer fails to make an election under this section for his first income year ending after December 31, 1975, then, for purposes of Section 24721, such taxpayer shall be treated as having initiated a change in method of accounting with respect to vacation pay for its first income year ending after December 31, 1975.

SEC. 15. Section 25402 of the Revenue and Taxation Code is repealed.

SEC. 16. Section 25402 is added to the Revenue and Taxation Code, to read:

25402. (a) The Franchise Tax Board may grant a reasonable extension of time for filing any return, declaration, statement, or other document required by this part or by regulations. No such extension or extensions shall aggregate more than six months from the due date for filing the return.

(b) An extension of six months for the filing of the return of income taxes imposed by this part shall be allowed any corporation if, in such manner and at such time as the Franchise Tax Board may by regulations prescribe, there is filed on behalf of such corporation the form prescribed by the Franchise Tax Board, and if such corporation pays, on or before the date prescribed for payment of the tax, the amount properly estimated as its tax or the first installment thereof required under Sections 25553 and 25563; but this extension may be terminated at any time by the Franchise Tax Board by mailing to the taxpayer notice of such termination at least 10 days prior to the date for termination fixed in such notice.

SEC. 17. Section 25952 of the Revenue and Taxation Code is amended to read:

25952. For the purposes of Section 25951 the amount of the underpayment shall be the excess of—

(a) (1) The amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent of the tax shown on the return for the income year, or (2) in the case of the tax imposed by Article 3 of Chapter 2 an amount equal to 80 percent of the lesser of the tax computed at the rate provided by Section 25562 (but otherwise on the basis of the facts shown on the return and the law applicable to the income year), or the tax shown on the return for the income year as prescribed by Section 25553, or (3) if no return was filed, 80 percent of the tax for such year, over

(b) The amount, if any of the installment, paid on or before the last date prescribed for payment.

SEC. 18. Section 25954 of the Revenue and Taxation Code is amended to read:

25954. Notwithstanding the provisions of the preceding sections of this article, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax paid on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser—

(a) The tax shown on the return of the taxpayer for the preceding income year if a return showing a liability for tax was filed by the taxpayer for the preceding year and such preceding year was a year of 12 months. The tax shown on the return, in the case of the tax imposed by Article 3 of Chapter 2, means the amount of tax shown on the return for the income year as prescribed in Section 25553.

(b) An amount equal to the tax computed at the rates applicable to the taxable year but otherwise on the basis of the facts shown on the return of the taxpayer for, and the law applicable to, the preceding taxable year.

(c) (1) With respect to payments of estimated tax required to be paid during income years ending on or before November 30, 1972, an amount equal to 80 percent of the tax for the taxable year computed by placing on an annualized basis the taxable income for the first three months or for the first five months of the income year.

(2) With respect to payments of estimated tax required to be paid during income years beginning after December 31, 1971, an amount equal to 80 percent of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(A) For the first three months of the income year, in the case of the installment required to be paid in the fourth month,

(B) For the first three months or for the first five months of the income year, in the case of the installment required to be paid in the sixth month,

(C) For the first six months or for the first eight months of the income year in the case of the installment required to be paid in the ninth month, and

(D) For the first nine months or for the first 11 months of the income year, in the case of the installment required to be paid in the 12th month of the taxable year.

(3) For purposes of this subdivision, the taxable income shall be placed on an annualized basis by—

(A) Multiplying by 12 the taxable income referred to in paragraph (1) or paragraph (2), and

(B) Dividing the resulting amount by the number of months in the income year referred to in paragraph (1) or paragraph (2).

"Taxable income" as used in this section means, in the case of the tax imposed by Chapter 2, income includable in the measure of the tax.

SEC. 19. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 887

An act to add Section 1117.5 to the Education Code, relating to community colleges.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1117.5 is added to the Education Code, to read:

1117.5. Notwithstanding Section 1117, the governing board of any community college district may, by a resolution adopted by a majority vote of the board, assign a number to each seat on the board to be selected by lot. Once such numbers are assigned, any candidate for election to the board shall be required to run for a particular numbered seat on the board and be elected by the voters of the district at large.

CHAPTER 888

An act to amend Sections 15700, 24003, and 24004 of the Corporations Code, relating to unincorporated associations.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 15700 of the Corporations Code is amended to read:

15700. Every partnership, other than a commercial or banking partnership established and transacting business in a place without the United States, which is domiciled without this state and has no regular place of business within this state, shall, within 40 days from the time it commences to do business in this state, file a statement in the office of the Secretary of State in accordance with Section 24003 designating some natural person or corporation as the agent of the partnership upon whom process issued by authority of or under any law of this state directed against the partnership may be served. A copy of such designation, duly certified by the Secretary of State, is sufficient evidence of such appointment.

Such process may be served in the manner provided in subdivision

(e) of Section 24003 on the person so designated, or, in the event that no such person has been designated, or if the agent designated for the service of process is a natural person and cannot be found with due diligence at the address stated in the designation, or if such agent is a corporation and no person can be found with due diligence to whom the delivery authorized by subdivision (e) of Section 24003 may be made for the purpose of delivery to such corporate agent, or if the agent designated is no longer authorized to act, then service may be made by personal delivery to the Secretary of State, Assistant Secretary of State or a Deputy Secretary of State of the process, together with a written statement signed by the party to the action seeking such service, or by his attorney, setting forth the last-known address of the partnership and a service fee of five dollars ($5). The Secretary of State shall forthwith give notice of such service to the partnership by forwarding the process to it by registered mail, return receipt requested, at the address given in the written statement.

Service on the person designated, or personal delivery of the process and statement of address together with a service fee of five dollars ($5) to the Secretary of State, Assistant Secretary of State or a Deputy Secretary of State, pursuant to this section is a valid service on the partnership. The partnership so served shall appear within 30 days after service on the person designated or within 30 days after delivery of the process to the Secretary of State, Assistant Secretary of State or a Deputy Secretary of State.

SEC. 2. Section 24003 of the Corporations Code is amended to read:

24003. (a) An unincorporated association may file with the Secretary of State on a form prescribed by the Secretary of State a statement containing either of the following:

(1) A statement designating the location and complete address of the association's principal office in this state. Only one such place may be designated.

(2) A statement (i) designating the location and complete address of the association's principal office in this state in accordance with paragraph (1) or, if the association does not have an office in this state, designating the complete address of the association to which the Secretary of State shall send any notices required to be sent to the association under Sections 24005 and 24006, and (ii) designating as agent of the association for service of process any natural person residing in this state or any corporation which has complied with Section 1505 and whose capacity to act as such agent has not terminated.

(b) If a natural person is designated as agent for service of process, the statement shall set forth the person's complete business or residence address. If a corporate agent is designated, no address for it shall be set forth.

(c) Presentation for filing of a statement and one copy, tender of the filing fee, and acceptance of the statement by the office of the Secretary of State constitutes filing under this section. The Secretary

of State shall note upon the copy of the statement the file number and the date of filing the original and deliver or send the copy to the unincorporated association filing the statement.

(d) At any time, an unincorporated association that has filed a statement under this section may file a new statement superseding the last previously filed statement. If the new statement does not designate an agent for service of process, the filing of the new statement shall be deemed to revoke the designation of an agent previously designated. A statement filed under this section expires five years from December 31 following the date it was filed in the office of the Secretary of State, unless previously superseded by the filing of a new statement.

(e) Delivery by hand of a copy of any process against the unincorporated association (1) to any natural person designated by it as agent, or (2) if the association has designated a corporate agent, to any person named in the last certificate of the corporate agent filed pursuant to Section 1505 at the office of such corporate agent shall constitute valid service on the association.

(f) For filing a statement as provided in this section, the Secretary of State shall charge and collect the fee prescribed in Government Code Section 12185 for filing a designation of agent.

SEC. 3. Section 24004 of the Corporations Code is amended to read:

24004. (a) The Secretary of State shall mark each statement filed under Section 24003 with a consecutive file number and the date of filing. He may destroy or otherwise dispose of any such statement four years after the statement expires. In lieu of retaining the original statement, the Secretary of State may retain a copy thereof in accordance with Government Code Section 14756.

(b) The Secretary of State shall index each statement filed under Section 24003 according to the name of the unincorporated association as set out in the statement and shall enter in the index the file number and the address of the association as set out in the statement and, if an agent for service of process is designated in the statement, the name of the agent and, if a natural person is designated as the agent, the address of such person.

(c) Upon request of any person, the Secretary of State shall issue his certificate showing whether, according to his records, there is on file in his office, on the date and hour stated therein, any presently effective statement filed under Section 24003 for an unincorporated association using a specific name designated by the person making the request. If such a statement is on file, the certificate shall include the information required by subdivision (b) to be included in the index. The fee for such a certificate is two dollars ($2).

(d) When a statement has expired under subdivision (d) of Section 24003, the Secretary of State shall enter that fact in the index together with the date of such expiration.

(e) Four years after a statement has expired, the Secretary of State may delete the information concerning that statement from

the index.

SEC. 4. (a) As used in this section, a reference to "Section 1505 of the new law" means Section 1505 of the Corporations Code as enacted by Chapter 682 of the Statutes of 1975, effective January 1, 1977, and as in effect on that date; a reference to Section 3301.5, 3301.6, 6403.5, or 6403.6 means that section of the Corporations Code in effect prior to January 1, 1977.

(b) When any corporate agent for service of process has been designated by an unincorporated association prior to the effective date of this act and such designation of agent included the name of a city, town, or village wherein the corporate agent maintained an office, service on such agent may be effected at any office of the agent set forth in the certificate of the corporate agent filed pursuant to Section 1505 of the new law or filed pursuant to Section 3301.5, 3301.6, 6403.5, or 6403.6, whether or not such office is in such city, town, or village.

(c) Where an unincorporated association has designated, prior to the effective date of this act, a corporate agent for service of process who has complied with Section 3301.5 or Section 6403.5 and whose capacity to act as such agent has not terminated prior to the effective date of this act, the designation of such corporate agent shall not terminate after the effective date of this act until the agent files with the Secretary of State a written statement of resignation as such agent in compliance with Section 24005 or until the statement filed by the unincorporated association under Section 24003 is superseded or expires, whichever takes place earlier.

CHAPTER 889

An act to repeal and add Article 4 (commencing with Section 73430) of Chapter 10 of Title 8 of the Government Code, relating to courts.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 4 (commencing with Section 73430) of Chapter 10 of Title 8 of the Government Code is repealed.

SEC. 2. Article 4 (commencing with Section 73430) is added to Chapter 10 of Title 8 of the Government Code, to read:

Article 4. East and West Kern

73430. This article applies to the municipal courts established in judicial districts in Kern County.

73431. (a) There shall be established the West Kern Municipal

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Court District which consists of the territory comprising the former Bakersfield Municipal Court District and the territory comprising the former Kern River, Delano-McFarland, Wasco, Shafter, Buttonwillow, Maricopa-Taft, and Arvin-Lamont Judicial Districts. There shall be six judges in the West Kern Municipal Court District.

(b) Upon the consolidation of the current Tehachapi-Mojave, and Indian Wells Judicial Districts, there shall be established the East Kern Municipal Court District. There shall be two judges in the East Kern Municipal Court.

73432. Notwithstanding the provisions of Section 72400, the judges of the West Kern Municipal Court District may appoint two traffic referees who shall hold office at the pleasure of the judges. The initial appointment to each of the two referee positions shall be made from among the qualified justice court judges who were incumbents on January 1, 1976.

A traffic referee appointed by the municipal court judges shall have the powers and duties specified for traffic referees in Sections 72401 and 72402.

73433. There may be one clerk in each municipal court who shall be appointed by and serve at the pleasure of a majority of the judges of the court to which the clerk is appointed. In a court with less than three judges, the presiding judge shall appoint the clerk of the court. The clerk of the East Kern Municipal Court shall receive the biweekly salary specified in range 36.4 of the salary schedule. The clerk of the West Kern Municipal Court shall receive the biweekly salary specified in range 37.9 of the salary schedule. The salary of the West Kern clerk of the municipal court shall be not less than 9.8 full range steps higher than the salary range in which the position of deputy municipal court clerk IV is compensated.

73434. There shall be one judicial secretary in the West Kern Municipal Court District who shall be appointed by and serve at the pleasure of a majority of the judges of the court. The judicial secretary shall receive a biweekly salary fixed within a salary range which shall be 1½ salary ranges lower than the salary range in which the position of deputy municipal court clerk IV is compensated.

73435. The clerk of the West Kern Municipal Court may appoint:

(a) Four deputy municipal court clerks IV, who shall act as the supervisors of the civil, criminal, traffic, and accounting divisions of the court and each of whom shall receive the biweekly salary specified in range 28.1 of the salary schedule.

(b) Three deputy municipal court clerks III, each of whom shall receive the biweekly salary specified in range 26.2 of the salary schedule.

(c) Seven municipal courtroom clerks or junior municipal courtroom clerks, each of whom shall receive the biweekly salary specified in ranges 26.2 and 23.4, respectively, of the salary schedule.

Junior municipal courtroom clerk shall be the entrance position to courtroom clerk. The presiding judge may advance any junior municipal courtroom clerk to the position of municipal courtroom

clerk without further examination, if the junior municipal courtroom clerk has served for six months and otherwise meets the qualifications for municipal courtroom clerk and if the presiding judge is satisfied with the junior municipal courtroom clerk's performance during the six-month period.

(d) Eight branch deputy municipal court clerks III, each of whom shall serve as supervisor of the branch of the municipal court to which he is assigned, and each of whom shall receive the biweekly salary specified in range 26.2 of the salary schedule.

(e) One account clerk III, municipal court, who shall receive the biweekly salary specified in range 25.7 of the salary schedule.

(f) Twelve full-time and three part-time branch deputy municipal court clerks II or I, each of whom shall receive the biweekly salary specified in range 23.9 and 21.1, respectively, of the salary schedule.

If a branch deputy municipal court clerk I has served in that position for 18 months, upon recommendation of the presiding judge and approval of the director of personnel, he may be advanced to the position of branch deputy municipal court clerk II without further examination.

(g) Six deputy municipal court clerks II, each of whom shall receive the biweekly salary specified in range 23.4 of the salary schedule.

(h) One account clerk II, municipal court, who shall receive the biweekly salary specified in range 22.9 of the salary schedule.

(i) Twelve deputy municipal court clerks I, each of whom shall receive the biweekly salary specified in range 18.9 of the salary schedule.

(j) Two junior deputy municipal court clerks, each of whom shall receive the biweekly salary specified in range 16.1 of the salary schedule.

Junior deputy municipal court clerk shall be the entrance position to the clerk's staff. The clerk may advance any junior deputy municipal court clerk to the position of deputy municipal court clerk I without further examination, if the junior deputy has served for six months and otherwise meets the qualifications for deputy municipal court clerk I and if the clerk is satisfied with the junior deputy's performance during the six-month period.

73436. The clerk of the East Kern Municipal Court may appoint:

(a) Three branch deputy municipal court clerks III, each of whom shall serve as supervisor of the branch of the municipal court to which he is assigned, and each of whom shall receive the biweekly salary specified in range 26.2 of the salary schedule.

(b) Five full-time and two part-time branch deputy municipal court clerks II or I, each of whom shall receive the biweekly salary specified in range 23.9 and 21.1, respectively, of the salary schedule.

If a branch deputy municipal court clerk I has served in that position for 18 months, upon recommendation of the presiding judge and approval of the director of personnel, he may be advanced to the

position of branch deputy municipal court clerk II without further examination.

73437. (a) Whenever reference to a numbered salary range of the salary schedule is made in any section of this article, the schedule of five step levels found in the salary ordinance of the County of Kern in effect on July 1, 1976, shall apply. The clerks and deputy clerks shall be paid biweekly pursuant to the payroll procedures in effect in the County of Kern on such date.

(b) Notwithstanding any other provision of this article:

(1) The minimum salary for each position shall normally be "step A" for the position. If it is difficult to secure qualified personnel at that step or if a person of unusual qualifications is engaged, the court or the clerk as the case may be, may hire at any step of the salary range applicable to the position.

(2) A majority of the judges of the court may place the clerk in the step of the salary range to which he would be entitled if he had been placed in "step C" of such salary range on the effective date of his appointment as clerk.

(3) Any employee who is promoted or whose position is reclassified from one class position to a higher class position shall be placed in the step level of the higher class salary range which most closely approximates a one-step increase from the former position, except that such increase shall not exceed an amount equivalent to 1.4 steps in the salary schedule. In the event the "A" step of the higher class position is greater than a 1.4-step increase over the salary of the employee in the lower class position, the employee shall be placed at the "A" step in the salary range of the higher class position.

(c) Certain positions in the municipal court are comparable to certain positions in the classified civil service of the County of Kern. The comparable positions are, respectively, as follows:

Municipal court classifications	County classifications
Deputy municipal court clerk IV	Superior court clerk II
Deputy municipal court clerk III, municipal courtroom clerk, or branch deputy municipal court clerk III	Superior court clerk I
Account clerk III, municipal court	Account clerk III
Deputy municipal court clerk II, junior municipal courtroom clerk, branch deputy municipal court clerk II	Clerk IV
Account clerk II, municipal court	Account clerk II
Deputy municipal court clerk I or branch deputy municipal court clerk I	Typist-clerk II
Junior deputy municipal court clerk	Typist-clerk I

The salaries paid by the County of Kern to persons holding the

positions in the classified service of the County of Kern hereinabove designated are paid in accordance with ordinances of the county adopted under the laws of the state and pursuant to a standardized salary schedule which, with respect to the several steps and ranges incorporated by reference in subdivision (a), is identical to the salary schedule incorporated by reference in subdivision (a). If and when the Board of Supervisors of the County of Kern adjusts the salaries paid to persons holding one or more of the respective positions among the county classifications hereinabove set forth, the salaries paid to persons holding each and every respective comparable position among the municipal court classifications hereinabove set forth shall be adjusted commensurately and in accordance with the provisions of this section. Such adjustment shall be effective the same date as the effective date of the action of the board of supervisors applicable to the respective and comparable county classifications. Any adjustment shall be effective only until January 1 of the second year following the year in which the adjustment is made, unless ratified by the Legislature. No salary adjustment exceeding four full range steps in the respective salaries specified in this article may be made pursuant to this subdivision. In the event any amendment to the standardized salary schedule of Kern County and the steps and ranges incorporated by reference in subdivision (a), impairs or alters the identity now existing between the standardized salary schedule of Kern County and the steps and ranges incorporated by reference in subdivision (a), the salaries of the comparable positions among the municipal court classifications hereinabove set forth may not thereafter be adjusted pursuant to this subdivision.

(d) In addition to the compensation provided in this article, the attachés of the municipal court shall receive, and they shall be entitled to, the same vacations, sick leaves, and similar privileges and benefits as are now or may hereafter be provided for the employees of the County of Kern, including the right to participate in any group, accident, health or life insurance plan adopted by the Board of Supervisors of the County of Kern.

73437.5. (a) With the approval of the board of supervisors, a majority of the municipal court judges may establish positions for officers, attachés, and employees in addition to those provided by this article. The order and approval establishing any such position shall designate the position title and salary range.

With the approval of the board of supervisors, a majority of the judges may appoint and employ such additional officers, attachés and employees as it deems necessary for the performance of the duties and exercise of the powers conferred by law upon the court and its members.

(b) Notwithstanding the provisions of Section 73437, rates of compensation of officers, attachés and employees, except traffic referees, may be adjusted by approval of the board of supervisors.

(c) Appointments or changes in compensation made pursuant to this section shall be on an interim basis and shall expire January 1 of

the second year following the calendar year in which such appointments or changes in compensation are made, unless ratified by the Legislature.

73438. (a) Persons employed in the service on the 91st day after the 1953 Regular Session of the Legislature shall receive credit for prior service in the justice's court, police court, or municipal court of the city and in the sheriff's department or constabulary of the county, and, in addition to the minimum rate, such persons shall receive the annual increments commensurate with such years of prior service up to the maximum rate set. Changes of title created in establishing the municipal court shall not detract from years of prior service.

(b) On the 90th day after the adjournment of the 1955 Regular Session of the Legislature, any deputy clerk who has been continuously employed for a period of six months or more under an appointment made pursuant to Sections 72150 and 72151 shall be placed by the clerk in the step level of the salary range which would have been applicable to his position if he had been originally appointed pursuant to this article. For the purpose of determining the right to subsequent annual increments under this article, the anniversary date shall be the date of commencement of such continuous employment.

(c) No salary of the clerk or any deputy clerk of the municipal court or any clerk employed in a position in the office of the clerk of the court on the last court day immediately preceding the effective date of the amendments to this article by the 1969 Regular Session of the Legislature shall be reduced except for cause relating to the discipline of such employee or pursuant to the adjustment provisions of this article.

73439. The Sheriff of Kern County and his deputies shall be ex officio marshal and deputy marshals of the municipal courts in Kern County.

73440. Official reporters in the municipal courts shall be appointed pursuant to Section 72194 and in lieu of any other compensation provided by law for their services in reporting testimony and proceedings in such court, shall receive a salary in the same sum monthly or per diem as is paid the official reporters of the superior court in Kern County, which shall be a charge against the general fund of the county.

Official reporters shall be members of any retirement system maintained by the county in which they are employed. For the purpose of such retirement system the salary provided for such reporters in this article shall be deemed their entire compensation.

73441. Fees for transcription of testimony and proceedings in such court shall be paid by the litigants to official reporters as provided by law. In all cases where by law, the court may direct the payment of transcription fees out of the county treasury, such fees shall, upon order of the court, be paid from the general fund including fees for transcription of testimony and proceedings in

criminal cases pursuant to Sections 69947 to 69953, inclusive, which shall be paid from the county treasury.

73442. In any civil action or proceeding, in addition to the fees required by Article 2 (commencing with Section 72050) of Chapter 8 of this title, a fee of seven dollars and fifty cents ($7.50) shall be paid to the clerk of the court by each party, or jointly by parties appearing jointly, once only in any such action or proceeding, in the following instances:

(a) Upon the filing of a complaint or other first paper.

(b) Upon the filing of the answer or other first paper on behalf of any party (or parties appearing jointly) other than the plaintiff.

(c) Upon the filing of papers transmitted from one court on the transfer of a civil action or special proceeding.

The fees so required shall be taxed as costs in favor of the party paying the same and to whom costs are awarded by the judgment of the court. All fees collected under the provisions of this section shall be transmitted to the county treasurer in the same manner as fees collected under Article 2 (commencing with Section 72050) of Chapter 8 of this title.

73443. All fees collected by officers or attachés except those which an attaché is entitled to retain pursuant to this article shall be paid into the county treasury.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of local government entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 890

An act to add Section 66427.1 to the Government Code, relating to subdivisions.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 66427.1 is added to the Government Code, to read:

66427.1. The legislative body shall not approve a final map for a subdivision to be created from the conversion of residential real property into a condominium project or a community apartment project unless it finds both that:

(a) Each of the tenants of the proposed condominium or community apartment house project has been or will be given 120 days' written notice of intention to convert prior to termination of

tenancy due to the conversion or proposed conversion. The provisions of this subdivision shall not alter or abridge the rights or obligations of the parties in performance of their convenants, including, but not limited to the provision of services, payment of rent or the obligations imposed by Sections 1941, 1941.1 and 1941.2 of the Civil Code.

(b) Each of the tenants of the proposed condominium or community apartment house project has been or will be given notice of an exclusive right to contract for the purchase of their respective units upon the same terms and conditions that such units will be initially offered to the general public or terms more favorable to the tenant. The right shall run for a period of not less than 60 days from the date of issuance of the subdivision public report pursuant to Section 11018.2 of the Business and Professions Code, unless the tenant gives prior written notice of his intention not to exercise the right.

(c) This section shall not diminish, limit or expand, other than as provided herein, the authority of any city, county, or city and county to approve or disapprove condominium projects.

CHAPTER 891

An act to amend Sections 14105, 14111, and 16004 of, and to add Section 14104.5 to, the Vehicle Code, relating to hearings.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 14104.5 is added to the Vehicle Code, to read:

14104.5. Before an informal hearing has commenced, the department, or the assigned hearing referee, shall issue subpoenas or subpoenas duces tecum, or both, at the request of any party, for attendance or production of documents at the hearing. After the hearing has commenced, the department itself hearing the case or a referee sitting alone may issue subpoenas or subpoenas duces tecum, or both.

SEC. 2. Section 14105 of the Vehicle Code is amended to read:

14105. Upon the conclusion of an informal hearing the referee or board shall make findings on the matter under consideration and may prepare and submit recommendations to the department. After a review of the records, evidence, and findings, the department shall render its decision concerning the matter under consideration and shall notify the person involved. The decision is effective as stated in the notice, but shall, in no event, be later than 15 days after the mailing of the notice.

SEC. 3. Section 14111 of the Vehicle Code is amended to read:

14111. The decision of the director, or his designee, following any formal hearing shall be effective as stated in the notice, but shall, in no event, be later than 15 days after the mailing of the notice. The decision shall not be subject to modification for a period of one year thereafter except where the cause for which the action was taken has been removed.

SEC. 4. Section 16004 of the Vehicle Code is amended to read:

16004. (a) The department shall suspend the driving privilege of any person who willfully fails, refuses, or neglects to make a report of an accident as required in this chapter.

(b) A suspension taken under this section shall remain in effect for one year unless sooner terminated by receipt of the report of the accident or upon receipt of evidence by the department that failure to report was not willful, or upon receipt of evidence that financial responsibility as provided in Section 16022 is in effect.

CHAPTER 892

An act to amend Sections 17062.2, 17064.5, 19052, 23301, and 26072 of, and to repeal Chapter 2.5 (commencing with Section 17065) of Part 10 of Division 2 and Sections 17529, 23704.5 and 23705 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 17062.2 of the Revenue and Taxation Code, as amended by Chapter 1033 of the Statutes of 1975, is amended to read:

17062.2. In the case of a joint return of a husband and wife under Section 18402, or a return of a surviving spouse (as defined in Section 17046), the tax imposed by Section 17062 shall be twice the tax which would be imposed if the tax preference income were cut in half.

SEC. 2. Section 17064.5 of the Revenue and Taxation Code, as amended by Chapter 1033 of the Statutes of 1975, is amended to read:

17064.5. (a) In the case of an estate or trust—

(1) The sum of the items of tax preference for any taxable year of the estate or trust shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

(2) The four thousand dollars ($4,000) amount specified in Section 17062 applicable to such estate or trust shall be reduced to an amount which bears the same ratio to four thousand dollars ($4,000) as the portion of the sum of the items of tax preference allocated to the

estate or trust under paragraph (1) bears to such sum.

(b) In the case of a nonresident, the minimum tax imposed by this chapter shall apply to only the sum of the tax preference items which relate to income for the taxable year which is derived from sources within this state.

(c) The items of tax preference of a common trust fund (as defined in Section 17671) for each taxable year of the fund shall be treated as items of tax preference of the participants of such fund and shall be apportioned pro rata among such participants.

(d) If a return is made for a short period, then the four thousand dollars ($4,000) amount specified in Section 17062 or the eight thousand dollars ($8,000) specified in Section 17062.1, modified as provided by this section, shall be reduced to the amount which bears the same ratio to such specified amount as the number of days in the short period bears to 365.

(e) (1) For purposes of this part, the term estimated tax shall not include the minimum tax imposed by this chapter.

(2) For purposes of Chapter 12 (relating to credit for taxes paid), the taxes imposed by this part do not include taxes imposed by this chapter.

(3) Except as otherwise expressly provided in this chapter, the term "taxes" includes the minimum tax imposed by this chapter.

SEC. 3. Chapter 2.5 (commencing with Section 17065) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 3.1. Section 17529 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 19052 of the Revenue and Taxation Code is amended to read:

19052. (a) Except as provided in subdivision (b), if the Franchise Tax Board determines that the taxpayer paid an amount not required to be paid under this part, the Franchise Tax Board without obtaining the approval of the State Board of Control, shall set forth that fact in its records and may either credit the amount on any amounts then due and payable under this part from the taxpayer by whom the amount was paid or refund the amount or the balance to the taxpayer or his successors, administrators, or executors.

(b) No refund exceeding ten thousand dollars ($10,000) shall be allowed or made until approved by the State Board of Control. Notwithstanding the preceding sentence, State Board of Control approval shall not be required with respect to a refund resulting either from withholding, or the payment of estimated tax, or prepayment of taxes during and for the taxable year.

SEC. 5. Section 23301 of the Revenue and Taxation Code is amended to read:

23301. Except for the purpose of amending the articles of incorporation to set forth a new name, the corporate powers, rights and privileges of a domestic taxpayer shall be suspended, and the exercise of the corporate powers, rights and privileges of a foreign taxpayer in this state shall be forfeited if any of the following

conditions occur:

(a) If any tax, penalty or interest, or any portion thereof, which is due and payable either at the time the return is required to be filed, or on or before the 15th day of the ninth month following the close of the income year, is not paid on or before 6 p.m. on the last day of the 12th month after the close of the income year; or

(b) If any tax, penalty or interest, or any portion thereof, due and payable upon notice and demand from the Franchise Tax Board, or due and payable under Section 25936, is not paid on or before 6 o'clock p.m. on the last day of the 11th month following the due date of said tax.

SEC. 6. Section 23704.5 of the Revenue and Taxation Code is repealed.

SEC. 7. Section 23705 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 26072 of the Revenue and Taxation Code is amended to read:

26072. (a) Except as provided in subdivision (b), if the Franchise Tax Board determines that the taxpayer paid an amount not required to be paid under this part, the Franchise Tax Board without obtaining the approval of the State Board of Control, shall set forth that fact in its records and may either credit the amount on any amounts then due and payable under this part from the taxpayer by whom the amount was paid or refund the amount or the balance to the taxpayer or its successors.

(b) No refund exceeding ten thousand dollars ($10,000) shall be allowed or made until approved by the State Board of Control. Notwithstanding the preceding sentence, State Board of Control approval shall not be required with respect to a refund resulting from the payment of estimated tax or a rate determination pursuant to Section 23186a (relating to bank and financial corporation rates).

SEC. 9. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 893

An act to amend Section 54797 of, and to add Sections 54775.1, 54775.2, and 54797.2 to, the Government Code, relating to local agencies.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 54775.1 is added to the Government Code, to read:

54775.1. In this chapter, provisions governing the time within which the executive officer or the commission is to act shall in all instances, except for notice requirements, be deemed directory rather than mandatory.

SEC. 2. Section 54775.2 is added to the Government Code, to read:

54775.2. This chapter shall be liberally construed to effectuate its purposes. No commission resolution making determinations upon a proposal shall be invalidated by any defect, error, irregularity or omission in any act, determination or procedure which does not adversely and substantially affect the rights of any person, city, county, district, the state, or any agency or subdivision of the state. All determinations made by a commission under and pursuant to the provisions of this chapter shall be final and conclusive in the absence of fraud or prejudicial abuse of discretion. In any action or proceeding to review any determination made by a commission, the sole inquiry shall be whether there was fraud or prejudicial abuse of discretion. Prejudicial abuse of discretion shall be established if the court finds that any determination of a commission was not supported by substantial evidence in light of the whole record.

SEC. 3. Section 54797 of the Government Code is amended to read:

54797. The commission may continue the hearing from time to time, not to exceed 70 days from the date specified in the notice of hearing. Within 35 days after the conclusion of the hearing, the commission shall adopt a resolution making its determination upon the proposal. The resolution making determinations may include a short-term designation of the affected territory and a description thereof. The short-term designation and description contained in any commission resolution making determination shall be used to refer to or describe the affected territory in any proceedings on the proposal.

If the commission approves a proposal, proceedings shall thereafter be initiated, conducted and completed pursuant to those provisions of law which are applicable to the proposal as it has been approved by the commission and the provisions of Section 54797.2. If the commission approves the proposal with modifications or conditions, proceedings may be initiated, conducted and completed only in compliance with such modifications or conditions. If the commission disapproves of the proposal, further proceedings shall terminate.

SEC. 4. Section 54797.2 is added to the Government Code, to read:

54797.2. Notwithstanding any other provision of law, the provisions of this section shall apply to the final completion of proceedings for any proposal approved by the commission pursuant to this chapter.

(a) When the legislative body of a county or a city approves, through adoption of an ordinance, resolution, or other document, a proposal for the incorporation of a new city, the formation of a special district, the annexation of territory to a city, the exclusion of territory from a city, the disincorporation of a city, or the consolidation of two or more cities, such legislative body shall cause a certified copy of the ordinance, resolution or other document evidencing the approval, to be filed with the executive officer of the commission of the principal county. The certified ordinance, resolution, or other document filed pursuant to this subdivision shall be accompanied by a boundary description of the proposal, a check to cover the fees required by Section 54902.5, and any other attachments germane to the proposal.

(b) Upon receipt of a certified copy of an ordinance, resolution, or other document filed pursuant to subdivision (a), the executive officer shall check documents and determine whether they comply with the boundaries, modifications, and conditions specified by the commission in its resolution making determinations upon the proposal.

(1) If such documents are determined to be in compliance, the executive officer shall execute a certificate of completion as hereinafter specified, and shall make the filings provided in subdivision (d).

(2) If such documents are determined not to be in compliance, the executive officer shall specify in writing the points of noncompliance and return the documents to the county or local agency which initiated and conducted proceedings.

(c) The certificate of completion prepared and executed by the executive officer shall contain the following:

(1) The names of each district or city for which a change or organization was ordered and the names of each county within which any of such districts or cities are located.

(2) The kind or type of change of organization ordered for each such city or district.

(3) A description of the boundaries of any new district ordered formed or of any territory ordered to be annexed to or detached from any existing district, which description may be made by reference to the boundaries shown on a map attached to such certificate.

(4) Any terms and conditions of the change of organization or reorganization.

(5) The date of adoption of the resolution ordering the change or organization or reorganization without election or the resolution confirming an order for a change or organization or reorganization after confirmation by the voters.

If any such resolution contains all or any part of the information required to be contained in the certificate described in subdivision (c), the executive officer of the commission may attach a certified copy of the resolution to his certificate and refer to the resolution for such information.

(d) The executive officer shall file the certificate of completion, along with a certified copy of the ordinance, resolution or other document approving a proposal by the legislative body of a county or local agency and a map and legal description of the proposal, with the Secretary of State. Thereupon, the Secretary of State shall execute a certificate of filing identifying the certificate of completion and stating the date of filing. The Secretary of State shall transmit to such executive officer a counterpart original of the certificate of filing for each county named in such executive officer's certificate of completion.

(e) After receipt of the Secretary of State's certificate of filing, the executive officer shall record the following with the county recorder of each county specified in the certificate of completion:

(1) A counterpart original of the certificate of completion.

(2) A counterpart original of the Secretary of State's certificate of filing.

(f) The executive officer shall also make such filings as may be provided for by Chapter 8 (commencing with Section 54900) of this part.

CHAPTER 894

An act to amend Section 11155 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11155 of the Welfare and Institutions Code is amended to read:

11155. In addition to the personal property permitted by other provisions of this part, an applicant or recipient, including an applicant for or recipient of aid to families with dependent children may retain items of personal property, other than cash, securities, instruments or other evidences of indebtedness, of a market value, less encumbrances, not to exceed one thousand dollars ($1,000), and in addition property falling within the following categories:

1. The entire value of wedding and engagement rings, heirlooms and clothing.

2. The value of household furnishings and, in addition, other property used to provide, equip and maintain a household for the applicant or recipient.

3. Equipment and material of reasonable value, including motor vehicles, which are necessary to implement an employment, rehabilitation or self-care plan necessary for employment of the applicant or recipient.

4. Any property right which is essential to land use or which is not available for the use of or expenditure by or in behalf of the applicant or recipient to meet a current or future need of the applicant or recipient.

In addition to all of the foregoing the director may at his discretion exempt other items of personal property not exempted under this section.

SEC. 2. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

CHAPTER 895

An act to amend Sections 918, 919, 920, 925, and 928 of the Penal Code, relating to grand juries.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 918 of the Penal Code is amended to read:

918. If a member of a grand jury knows, or has reason to believe, that a public offense, triable within the county, has been committed, he may declare it to his fellow jurors, who may thereupon investigate it.

SEC. 2. Section 919 of the Penal Code is amended to read:

919. (a) The grand jury may inquire into the case of every person imprisoned in the jail of the county on a criminal charge and not indicted.

(b) The grand jury shall inquire into the condition and management of the public prisons within the county.

(c) The grand jury shall inquire into the willful or corrupt misconduct in office of public officers of every description within the county.

SEC. 3. Section 920 of the Penal Code is amended to read:

920. The grand jury may investigate and inquire into all sales and transfers of land, and into the ownership of land, which, under the state laws, might or should escheat to the State of California. For this purpose, the grand jury may summon witnesses before it and examine them and the records. The grand jury shall direct that proper escheat proceedings be commenced when, in the opinion of the grand jury, the evidence justifies such proceedings.

SEC. 4. Section 925 of the Penal Code is amended to read:

925. The grand jury may make a careful and complete examination of the accounts and records, especially those pertaining to revenue, of all the officers of the county, and report as to the facts

it has found, with such recommendations as it may deem proper and fit. Such examination shall be conducted selectively each year, but all accounts and records kept by each such officer shall be examined at least once every four years.

SEC. 5. Section 928 of the Penal Code is amended to read:

928. Every grand jury may investigate and report upon the needs of all county officers in the county, including the abolition or creation of offices and the equipment for, or the method or system of performing the duties of, the several offices. Such investigation and report shall be conducted selectively each year, but the needs of each county officer shall be investigated and reported at least once every four years. The grand jury shall cause a copy of such report to be transmitted to each member of the board of supervisors of the county.

CHAPTER 896

An act to amend Sections 11026, 11027, 11175, 11179, 11191, 11205, 11206, 11207, 11215, 11251, and 11253 of, to amend and renumber Section 11166 of, to add Sections 11158, 11164, 11165, 11166, and 11167 to, and to repeal Sections 11158, 11160, 11164, 11165, 11167, 11168, 11176, 11177, 11178, and 11181 of, the Health and Safety Code, relating to controlled substances.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11026 of the Health and Safety Code is amended to read:

11026. "Practitioner" means any of the following:

(a) A physician, dentist, veterinarian, podiatrist, pharmacist, scientific investigator, or other person licensed, registered or otherwise permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

(b) A pharmacy, hospital, or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

SEC. 2. Section 11027 of the Health and Safety Code is amended to read:

11027. "Prescription" means an oral order for a controlled substance given individually for the person for whom prescribed, directly from the prescriber to the furnisher or indirectly by means of a written order of the prescriber.

SEC. 5. Section 11158 of the Health and Safety Code is repealed.

SEC. 6. Section 11158 is added to the Health and Safety Code, to read:

11158. Except as provided in Section 11159, no controlled substance classified in Schedule II shall be dispensed without a prescription meeting the requirements of this chapter. Except as provided in Section 11159 or when dispensed directly to an ultimate user by a practitioner, other than a pharmacist or pharmacy, no controlled substance classified in Schedule III, IV, or V may be dispensed without a prescription meeting the requirements of this chapter.

Except as otherwise prohibited or limited by law, a practitioner specified in Section 11150, may administer controlled substances in the regular practice of his profession.

SEC. 7. Section 11160 of the Health and Safety Code is repealed.

SEC. 8. Section 11164 of the Health and Safety Code is repealed.

SEC. 9. Section 11164 is added to the Health and Safety Code, to read:

11164. Except as provided in Section 11167, no person shall prescribe a controlled substance, nor shall any person fill, compound, or dispense such a prescription unless it complies with the requirements of this section.

(a) Each prescription for a controlled substance classified in Schedule II which is a narcotic drug shall be wholly written in ink or indelible pencil in the handwriting of the prescriber upon the official prescription form issued by the Department of Justice. Such prescriptions shall be prepared in triplicate, signed and dated by the prescriber, and shall contain the name and address of the person for whom the controlled substance is prescribed, the name and quantity of the controlled substance prescribed, directions for use, and the address, category of professional licensure, and the federal controlled substance registration of the prescriber. The original and one copy of such a prescription shall be delivered to the pharmacist filling the prescription. The original shall be retained by the pharmacist and the copy, properly endorsed by him, shall be transmitted to the Department of Justice at the end of the month in which the prescription was filled.

(b) Each prescription for a controlled substance classified in Schedule II which is not a narcotic drug or for a controlled substance classified in Schedule III, IV, or V, except as authorized by subdivision (c), shall be subject to the following requirements:

(1) The prescription shall be signed and dated by the prescriber and shall contain the name of the person for whom the controlled substance is prescribed, the name and quantity of controlled substance prescribed, and directions for use. With respect to prescriptions for controlled substances classified in Schedule II or III which are not narcotic drugs, the signature, date, and information required by this paragraph shall be wholly written in ink or indelible pencil in the handwriting of the prescriber.

(2) In addition, the prescription shall contain the name, address,

telephone number, category of professional licensure, and federal controlled substance registration number of the prescriber. The information required by this paragraph shall be either preprinted upon the prescription blank, typewritten, rubber stamped, or printed by hand.

(3) The prescription shall also contain the address of the person for whom the controlled substance is prescribed. If the prescriber does not specify such address on the prescription, the pharmacist filling the prescription or an employee acting under his direction shall write or type the address on the prescription.

(c) Any controlled substance classified in Schedule III, IV, or V may be dispensed upon an oral prescription, which shall be reduced to writing by the pharmacist filling the prescription or by such other person as is expressly authorized by provisions of the Business and Professions Code. The date of issue of the prescription and all the information required for a written prescription by subdivision (b) shall be included in such written record of the prescription. Pursuant to authorization of the prescriber, any employee of the prescriber on his behalf may orally transmit a prescription for a controlled substance classified in Schedule IV or V, if within a reasonable time thereafter the prescriber transmits to the pharmacist filling the prescription written evidence of the employee's authorization, and in such cases the written record of the prescription required by this subdivision shall also specify the name of the employee of the prescriber transmitting the prescription.

SEC. 10. Section 11165 of the Health and Safety Code is repealed.

SEC. 11. Section 11165 is added to the Health and Safety Code, to read:

11165. Each written prescription for a controlled substance or for any material, compound, mixture, or preparation containing one or more controlled substances shall be set forth on a separate prescription blank.

SEC. 12. Section 11166 of the Health and Safety Code is amended and renumbered to read:

11168. The prescription book containing the prescriber's copies of prescriptions issued shall be retained by the prescriber which shall be preserved for three years.

SEC. 13. Section 11166 is added to the Health and Safety Code, to read:

11166. No person shall fill a prescription for a controlled substance classified in Schedule II which is tendered to him after the seventh day following the date of issue. No person shall knowingly fill a forged or altered prescription for a controlled substance except for the addition of the address of the person for whom the controlled substance is prescribed as provided by paragraph (3) of subdivision (b) of Section 11164.

SEC. 14. Section 11167 of the Health and Safety Code is repealed.

SEC. 15. Section 11167 is added to the Health and Safety Code, to read:

11167. In the event of an epidemic or accident or calamity, any controlled substance classified in Schedule II may be dispensed upon an oral prescription if failure to issue such a prescription might result in loss of life or intense suffering. Prior to filling such a prescription, the pharmacist shall reduce it to writing. The date of issue of the prescription and all the information required for a written prescription by Section 11164 shall be included in such written record of the prescription.

Additionally, in such an emergency a prescriber may issue a written prescription for a controlled substance classified in Schedule II which is a narcotic drug upon a form other than the official prescription form issued by the Department of Justice. However, such a prescription shall in all other respects comply with the requirements of subdivision (a) of Section 11164.

When an emergency oral or written prescription is issued pursuant to this section, the prescriber shall within 72 hours submit the prescription in the form required by Section 11164 to the pharmacy or pharmacist filling the prescription. If the prescriber does not provide such a prescription within 72 hours, the pharmacist filling the emergency prescription shall immediately so inform the Department of Justice.

SEC. 16. Section 11168 of the Health and Safety Code is repealed.

SEC. 17. Section 11175 of the Health and Safety Code is amended to read:

11175. No person shall obtain or possess a prescription that does not comply with this division, nor shall any person obtain a controlled substance by means of a prescription which does not comply with this division or possess a controlled substance obtained by such a prescription.

SEC. 18. Section 11176 of the Health and Safety Code is repealed.

SEC. 19. Section 11177 of the Health and Safety Code is repealed.

SEC. 20. Section 11178 of the Health and Safety Code is repealed.

SEC. 21. Section 11179 of the Health and Safety Code is amended to read:

11179. A person who fills a prescription shall keep it on file for at least three years from the date of filling it.

SEC. 22. Section 11181 of the Health and Safety Code is repealed.

SEC. 23. Section 11191 of the Health and Safety Code is amended to read:

11191. The record shall be preserved for three years.

Every person who violates any provision of this section is guilty of a misdemeanor.

SEC. 23.5. Section 11191 of the Health and Safety Code is amended to read:

11191. The record shall be preserved for three years and shall be open at all times, during hours the person is regularly open for business, to inspection by a special agent of the Department of Justice, an inspector of the Board of Pharmacy, or an authorized peace officer. It shall be unlawful for any person to refuse to permit

or to obstruct such inspection.

Every person who violates any provision of this section is guilty of a misdemeanor.

SEC. 24. Section 11205 of the Health and Safety Code is amended to read:

11205. The owner of a pharmacy or any person who purchases a controlled substance upon federal order forms as required pursuant to the provisions of the Federal "Comprehensive Drug Abuse Prevention and Control Act of 1970," (P.L. 91-513, 84 Stat. 1236), relating to the importation, exportation, manufacture, production, compounding, distribution, dispensing, and control of controlled substances, and who sells controlled substances obtained upon such federal order forms in response to prescriptions shall maintain and file such prescriptions in a separate file apart from noncontrolled substances prescriptions. Such files shall be preserved for a period of three years.

SEC. 24.5. Section 11205 of the Health and Safety Code is amended to read:

11205. The owner of a pharmacy or any person who purchases a controlled substance upon federal order forms as required pursuant to the provisions of the Federal "Comprehensive Drug Abuse Prevention and Control Act of 1970," (P.L. 91-513, 84 Stat. 1236), relating to the importation, exportation, manufacture, production, compounding, distribution, dispensing, and control of controlled substances, and who sells controlled substances obtained upon such federal order forms in response to prescriptions shall maintain and file such prescriptions in a separate file apart from noncontrolled substances prescriptions. Such files shall be preserved for a period of three years and shall be open at all times, during hours the person is regularly open for business, to inspection by a special agent of the Department of Justice, an inspector of the Board of Pharmacy, or an authorized peace officer. It shall be unlawful to refuse to permit or to obstruct such inspection. Every person who violates any provision of this section is guilty of a misdemeanor.

SEC. 25. Section 11206 of the Health and Safety Code is amended to read:

11206. The prescription file shall constitute a record that as to the transactions shall show all of the following:

(a) The name and address of the patient.

(b) The date.

(c) The character, quantity, and directions for use of the controlled substance involved.

(d) The name, address, telephone number, category of professional licensure, and the federal controlled substance registration number of the prescriber.

SEC. 26. Section 11207 of the Health and Safety Code is amended to read:

11207. No person other than a registered pharmacist under the laws of this state or an intern pharmacist, as defined in Section 4038.1

of the Business and Professions Code, who is under the personal supervision of a pharmacist, shall compound, prepare, fill or dispense a prescription for a controlled substance.

SEC. 27. Section 11215 of the Health and Safety Code is amended to read:

11215. Except as otherwise provided in this section, any narcotic controlled substance employed in treating an addict for addiction shall be administered by a physician, or by a registered nurse acting under his instruction. When acting under the direction of a physician, any psychiatric technician licensed pursuant to Chapter 10 (commencing with Section 4500) of Division 2 of the Business and Professions Code or any vocational nurse licensed pursuant to Chapter 6.5 (commencing with Section 2840) of Division 2 of the Business and Professions Code, or any pharmacist licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Business and Professions Code may administer methadone or other controlled substances orally in the treatment of an addict for addiction to a controlled substance.

SEC. 28. Section 11251 of the Health and Safety Code is amended to read:

11251. No prescription is required in case of sales at wholesale by pharmacies, jobbers, wholesalers and manufacturers to any of the following:

(a) Pharmacies as defined in the Business and Professions Code.
(b) Physicians.
(c) Dentists.
(d) Podiatrists.
(e) Veterinarians.
(f) Other jobbers, wholesalers or manufacturers.

SEC. 29. Section 11253 of the Health and Safety Code is amended to read:

11253. The written orders or blank forms shall be preserved for at least three years after the date of the last entry made.

SEC. 30. It is the intent of the Legislature, if this bill and Senate Bill No. 2100 are both chaptered and become effective January 1, 1977, both bills amend Section 11191 of the Health and Safety Code, and this bill is chaptered after Senate Bill No. 2100, that the amendments to Section 11191 proposed by both bills be given effect and incorporated in Section 11191 of the Health and Safety Code in the form set forth in Section 23.5 of this act. Therefore, Section 23.5 of this act shall become operative only if this bill and Senate Bill No. 2100 are both chaptered and become effective January 1, 1977, both amend Section 11191 of the Health and Safety Code, and this bill is chaptered after Senate Bill No. 2100, in which case Section 23 of this act shall not become operative.

SEC. 31. It is the intent of the Legislature, if this bill and Senate Bill No. 2099 are both chaptered and become effective January 1, 1977, both bills amend Section 11205 of the Health and Safety Code, and this bill is chaptered after Senate Bill No. 2099, that the

amendments to Section 11205 of the Health and Safety Code proposed by both bills be given effect and incorporated in Section 11205 of the Health and Safety Code in the form set forth in Section 24.5 of this act. Therefore, Section 24.5 of this act shall become operative only if this bill and Senate Bill No. 2099 are both chaptered and become effective January 1, 1977, both amend Section 11205 of the Health and Safety Code, and this bill is chaptered after Senate Bill No. 2099, in which case Section 24 of this act shall not become operative.

SEC. 32. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 897

An act to add Article 39 (commencing with Section 74960) to Chapter 10 of Title 8 of the Government Code, relating to municipal courts.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 39 (commencing with Section 74960) is added to Chapter 10 of Title 8 of the Government Code, to read:

Article 39. Yolo County

74960. This article applies to the municipal court established within the municipal court district which embraces the entire territory of the County of Yolo lying within the exterior boundaries of such county, which court shall be known as the Yolo County Municipal Court.

74961. There shall be three judges.

74962. Facilities for the court shall be maintained at or near the county seat and at court facilities provided elsewhere as determined by ordinance adopted by the board of supervisors. The court shall determine the nature and frequency of sessions held at additional court locations designated by the board of supervisors.

74963. There shall be one clerk of the court (subject to the provisions of Section 74968) who shall be appointed by the presiding judge of the municipal court and who shall hold office at the pleasure

of the presiding judge. The clerk shall receive a monthly salary at a rate specified in range 30.5.

74964. (a) Notwithstanding Section 72400, the presiding judge of the court may also appoint the clerk to serve as traffic referee without additional compensation, provided the clerk is a member of the State Bar of California or has had five (5) years experience as a justice court judge in this state within the eight (8) years immediately preceding appointment as a traffic referee.

(b) Notwithstanding any other provision of law, a clerk who used to be a judge of a superseded justice court within the County of Yolo may be appointed by the juvenile court judge of the superior court to serve as a juvenile court traffic hearing officer without additional compensation, provided the clerk is a member of the State Bar of California or has had five (5) years experience as a justice court judge in this state within the eight (8) years immediately preceding appointment as a juvenile court traffic hearing officer.

74965. The clerk (subject to the provisions of Section 74968) with the approval of the presiding judge may appoint:

(a) Three municipal court clerks III, each of whom shall receive a monthly salary at a rate specified in range MA16.

(b) Two municipal court clerks II, each of whom shall receive a monthly salary at a rate specified in range MA15.

(c) Sixteen municipal court clerks I, each of whom shall receive a monthly salary at a rate specified in range MA13.5, or 16 typist-clerks II, each of whom shall receive a monthly salary at a rate specified in range MA12. The combined total of positions in the municipal court clerk I and typist-clerk II classifications shall not exceed sixteen (16) positions.

(d) Two interpreter-clerks who shall receive a monthly salary at a rate specified in range 14.5.

74966. Notwithstanding any other provision of law, constables in the superseded justice courts on January 1, 1977 who are sixty-four (64) years of age and younger who wish to be so employed shall become employees in the sheriff's department in the County of Yolo in classifications specified by the board of supervisors for the balance of the term they would have served as constable had the office not been superseded; provided, they shall suffer no diminution in salary or benefits during that time; and further provided, they shall not become deputy sheriffs unless they otherwise possess the qualifications required for the position of deputy sheriff.

74967. The sheriff and his deputies shall act as ex officio marshal and deputy marshals of the court.

74968. The clerks and other attachés (excluding constables) of the justice courts in Yolo County who are below the mandatory retirement age when their positions are superseded by the municipal court to which this article applies shall succeed as authorized by law to the equivalent municipal court positions provided in Sections 74963 to 74966, inclusive.

74969. Whenever reference to a numbered salary range is made

in any section of this article, the schedule of monthly salaries found in the salary ordinance of the County of Yolo in effect on January 1, 1977, shall apply.

Notwithstanding the provisions of Sections 74963 and 74965, and subject to the provisions of Section 74971, the classifications, numbers of positions established for each classification, and the numbered salary ranges specified in the salary ordinance of the County of Yolo in effect on January 1, 1977 shall apply.

74970. All employees of the Yolo County Municipal Court shall be entitled to the same provisions with respect to retirement, vacations, and other benefits allowed to employees of the county, and be subject to the personnel regulations, memoranda of understanding, and the affirmative action plan of the County of Yolo as they exist on January 1, 1977.

74971. The positions enumerated in Sections 74963 to 74966, inclusive, are deemed to be comparable in job and salary level to certain positions in the service of Yolo County. The following table sets forth the court classifications with the comparable county classifications shown opposite thereto:

Clerk Classification	County Classification
Clerk	Clerk
Municipal court clerk III	Municipal court clerk III
Municipal court clerk II	Municipal court clerk II
Municipal court clerk I	Municipal court clerk I
Typist-clerk II	Typist-clerk II
Typist-clerk I	Typist-clerk I
Interpreter-clerk	Interpreter clerk

In the event that any classification, the number of positions prescribed for any classification, or the salary, benefits, personnel regulations, memoranda of understanding or affirmative action plan for any classification which is shown above is modified by the board of supervisors, a commensurate modification shall be made for the comparable court classification. Any adjustment made pursuant to this section shall be effective the same date as the effective date of the action applicable to the respective and comparable county classifications, but shall remain in effect only until January 1 of the second year following the year in which such change is made, unless subsequently ratified by the Legislature.

74972. The presiding judge may appoint as many reporters as the business of the court requires, who shall be known as official reporters pro tempore, and who shall hold office at his pleasure. The reporter shall serve without salary but shall receive for his services in reporting testimony and proceedings in such court, the same compensation as is paid reporters pro tempore of the superior court in Yolo County, which in criminal cases shall, upon order of the court, be a charge against the general fund of the county.

74973. Fees for transcription of testimony and proceedings in the

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court shall be paid by the litigants to official reporters pro tempore as otherwise provided by law. In all cases where by law the court may direct the payment of transcription fees out of the county treasury, such fees shall, upon order of the court, be paid from the general funds, including fees for transcription of testimony in proceedings in criminal cases as provided in Sections 69947 to 69953, inclusive, which shall be paid from the county treasury.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act, because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 898

An act to amend Sections 4730 and 4766 of the Health and Safety Code, relating to county sanitation districts.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6730 of the Health and Safety Code is amended to read:

4730. The governing body of a sanitation district is a board of directors of not less than three members. The presiding officer of the governing body of each city, the whole or part of which is included in the sanitation district, is a member of the board. A member of the governing body of each sanitary district, the whole or part of which is included in the sanitation district, is a member of the board.

If the sanitation district includes territory which is unincorporated and not included in a sanitary district, then the presiding officer of the county board of supervisors is a member of the board.

The governing body of each city with a population of under 2,500,000, as found by the latest census, and the board of supervisors shall each select one of its members, other than its presiding officer, as an alternate director to act as a member of the district board in place of the presiding officer during his absence, inability or refusal to act.

The presiding officer of the governing body of a city with a population of 2,500,000 or over shall select one of the other members of the governing body as an alternate director to act as a member of the district board under such circumstances. The governing body of each sanitary district represented on the board of directors of a sanitation district shall select one of its members as an alternate director to act as a member of the district board in place of its regular

director during his absence, inability, or refusal to act.

If the sanitation district includes unincorporated territory and all or part of one city and no sanitary district, or unincorporated territory and one sanitary district and no city, then the presiding officer and one other member of the board of supervisors are members of the board, unless the population included in the city or sanitary district is more than half of the population of the whole sanitation district, in which case the presiding officer of the board of supervisors and the presiding officer and one other member of the governing body of the city or two members of the governing body of the sanitary district, as the case may be, constitute the board of directors.

If the total number of cities and sanitary districts included in the sanitation district in whole or in part is two and if the sanitation district does not include any territory not in cities or sanitary districts, then the district board includes the presiding officer and one other member of the governing body of the city or two members of the governing body of the sanitary district having the greatest population and the presiding officer of the governing body of the city or one member of the governing body of the sanitary district having the least population.

If the total number of cities and of sanitary districts wholly or in part within the sanitation district is two or more, and if, in addition, the district contains unincorporated territory, then the district board includes the presiding officer of the board of supervisors, the presiding officer of the governing board of each city, and a member of the governing board of each sanitary district.

If the district includes no territory which is in cities or sanitary districts, then the county board of supervisors is the board of directors of the district.

If the territory of the district lies wholly within a city, the legislative body of said city is the board of directors of the district.

A city within a sanitation district, the sewered portion of which city lies entirely within a sanitary district, shall have no representation on the board.

Notwithstanding the foregoing provisions of this section, whenever a sanitation district includes unincorporated territory and all or part of one city and no sanitary district, the governing body of such city may designate the board of supervisors of the county as the district board of directors, unless the population of the incorporated portion of the sanitation district is more than half of the population of the whole district. If the population of the incorporated portion of the sanitation district is more than half of the population of the whole district, the board of supervisors of the county may designate the governing body of the city as the district board of directors.

The term "sanitary district" as used in this section shall mean a sanitary district formed prior to the formation of the sanitation district in which it is included in whole or in part. The term "sanitary district" as used in this section shall also include a county water

district which on or before July 1, 1977, assumed the responsibilities, rights, duties, assets, liabilities, and obligations of a sanitary district which at the time of such assumption had representation on the board of directors of the sanitation district by the provisions of this section.

SEC. 2. Section 4766 of the Health and Safety Code is amended to read:

4766. The district board may adopt ordinances to carry out the provisions of Sections 5473 to 5473.11, inclusive, of the Health and Safety Code and this chapter; the procedure for the adoption of said ordinances shall be the same as is provided for in Article 7 (commencing with Section 25120), Chapter 1, Part 2, Division 2, Title 3 of the Government Code for counties. In the absence of county or city regulation, the district board may also adopt ordinances for the purpose of exercise and effect of any of it powers, or for the purposes for which it was formed. Any ordinance adopted by the district board shall impose restrictions equal to or greater than those imposed by the State Housing Law, Part 1.5 (commencing with Section 17910), Division 13 of this code, and the rules and regulations promulgated pursuant thereto by the Commission of Housing and Community Development. A violation of a regulation or ordinance of a district is a misdemeanor, punishable by a fine not to exceed one thousand dollars ($1,000), imprisonment not to exceed 30 days, or both.

CHAPTER 899

An act to repeal Chapter 1052 of the Statutes of 1972 and to amend Sections 1 and 2 of Chapter 277 of the Statutes of 1976, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 1052 of the Statutes of 1972 is repealed.

SEC. 2. (a) It is the intent and purpose of the Legislature that the Indian program provided for by this section shall be directed to improve the educational accomplishments of Indian students in the rural educational systems in California.

Not more than 10 Indian pilot projects in the rural public schools designed to develop and test educational models which increase competence in reading and mathematics shall be undertaken.

It is the intent of the Legislature to establish a one-year pilot project in Indian education. Such instructional projects shall be provided in prekindergarten to grade 4.

The Legislature recognizes the importance of Indian parent-community involvement in the planning, implementing, and evaluation of such Indian programs.

(b) As used in this act:

(1) "Board" means the State Board of Education.

(2) "Superintendent" means the Superintendent of Public Instruction.

(3) "Project" means an organized undertaking in Indian education which includes, but is not limited to, a description of the undertaking, a listing of the goals and objectives to be achieved, a statement of methods to be used, and the methods to be used in evaluating the success of the project.

(c) From the funds appropriated therefor by the Legislature to the Department of Education for the purposes of this section, the superintendent, with the approval of the board shall administer this section and make apportionments to school districts to meet the total approved expense of the school districts incurred in establishing Indian education programs.

(d) The governing board of any rural school district receiving equalization aid, having a school in which there is a concentration of 10 percent of more of Indian students, and which maintains prekindergarten through grade 4 or kindergarten through grade 4, may apply to the superintendent for a project in Indian education.

The governing boards of two or more such school districts may jointly apply for a project in Indian education.

The application shall be made on forms provided by the superintendent, and in accordance with the rules and regulations adopted by the board.

The dates for making application shall be established by the superintendent.

(e) Upon approval by the board of an application under subdivision (d) of this section, the superintendent shall certify the amount to be apportioned to the applicant school district.

(f) Each school district receiving funds provided by subdivision (c) of this section shall establish a districtwide Indian advisory committee for Indian education.

At each school participating, an Indian parent advisory group shall be established to increase communication and understanding between members of a community and the school officials. Each committee shall provide advice and suggestions on all parts of the program.

(g) The superintendent shall submit an annual report to the Legislature, and upon completion of the pilot programs, a final report concerning the implementation and evaluation of the Indian education programs. The reports shall include the achievement of the students, costs of each program detailed in terms of design, implementation, and continuing operating expense. They shall also include recommendations concerning improvement, retention, extension, or other aspects of the programs. The final report shall be

submitted to the Legislature no later than December 1, 1976.

(h) It is the intent of the Legislature that scholarships be made available for the education of Indian students at institutions of higher education.

To assist in the attainment of this goal, the Student Aid Commission may appoint an advisory committee composed of not more than five individuals who are experienced in problems of education for Indian students.

SEC. 3. Section 1 of Chapter 277 of the Statutes of 1976 is amended to read:

Section 1. Notwithstanding Section 15710.5 of the Education Code, the governing board of a school district from which territory representing not more than 10 percent of the assessed valuation of the district is taken and annexed to or included in another school district may, by resolution, relieve the acquiring district of the obligation to pay the proportionate share of the remaining payments due under an outstanding lease or agreement.

This section shall be applicable only to a transfer of territory from the Ukiah Unified School District to the proposed Potter Valley Unified School District, which transfer becomes effective for all purposes after June 4, 1975, and shall be applicable whether the election under Sections 15708 and 15709 of the Education Code occurred prior to or after June 4, 1975.

SEC. 4. Section 2 of Chapter 277 of the Statutes of 1976 is amended to read:

Sec. 2. Due to unique circumstances existing in the Ukiah Unified School District, involving geographical factors and the lack of a community of interest, which circumstances have culminated in the efforts of citizens of the district to create the proposed Potter Valley Unified School District out of territory presently included in the Ukiah Unified School District, the Legislature finds and declares that this act should be limited in its effect to the one school district in which such circumstances exist; therefore, this act may not be made the subject of a general statute within the meaning of Section 16 of Article IV of the Constitution.

SEC. 5. Section 2 of this act shall be in effect until June 30, 1977, and at that time is repealed.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to utilize funds appropriated by the Budget Act of 1976 specifically appropriated for a one-year extension of the Indian education pilot projects established pursuant to Chapter 1052 of the Statutes of 1972, and to make necessary clarifications in an urgency statute enacted earlier this year (Chapter 277 of the Statutes of 1976), it is necessary that this act go into immediate effect.

CHAPTER 900

An act to amend Sections 25100, 26701, 26703, and 26704 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 25100 of the Vehicle Code is amended to read:

25100. (a) Except as provided in subdivisions (b) and (d), every vehicle 80 inches or more in overall width shall be equipped during darkness as follows:

(1) At least one amber clearance lamp at each side mounted on a forward-facing portion of the vehicle and visible from the front and at least one red clearance lamp at each side mounted on a rearward-facing portion of the vehicle and visible from the rear.

(2) At least one amber side-marker lamp on each side near the front and at least one red side-marker lamp on each side near the rear.

(3) At least one amber side-marker lamp on each side at or near the center on trailers and semitrailers 30 feet or more in length and which are manufactured and first registered after January 1, 1962. Any such vehicle manufactured and first registered prior to January 1, 1962, may be so equipped.

(4) At least one amber side-marker lamp mounted at approximate midpoint of housecars, motortrucks, and buses 30 or more feet in length and manufactured on or after January 1, 1969. Any such vehicle manufactured prior to January 1, 1969, may be so equipped.

(5) Combination clearance and side-marker lamps mounted as side-marker lamps and meeting the visibility requirements for both types of lamps may be used in lieu of required individual clearance or side-marker lamps.

(b) The following vehicles when 80 inches or more in overall width and not equipped as provided in subdivision (a) shall be equipped during darkness as follows:

(1) Truck tractors shall be equipped with at least one amber clearance lamp at each side on the front of the cab or sleeper and may be equipped with amber side-marker lamps on each side.

(2) Truck tractors manufactured on or after January 1, 1969, shall be equipped with one amber side-marker lamp on each side near the front.

(3) Pole or pipe dollies, or logging dollies shall be equipped with at least one combination clearance and side-marker lamp on each side showing red to the front, side, and rear.

(4) Vehicles, except truck tractors, which are 80 inches or more in width over a distance not exceeding three feet from front to rear

shall be equipped with at least one amber combination clearance lamp and side-marker lamp on each side visible from the front, side, and rear if the projection is near the front of the vehicle and at least one such red lamp if the projection is near the rear of the vehicle.

(5) Towing motor vehicles engaged in driveaway-towaway operations shall be equipped with at least one amber clearance lamp at each side on the front and at least one amber side-marker lamp on each side near the front.

(6) Towed motor vehicles engaged in driveaway-towaway operations shall be equipped with at least one amber side-marker lamp on each side of intermediate vehicles, and the rearmost vehicle shall be equipped with at least one red side-marker lamp on each side and at least one red clearance lamp at each side on the rear.

(7) Trailers and semitrailers designed for transporting single boats in a cradle-type mounting and for launching the boat from the rear of the trailer need not be equipped with front and rear clearance lamps provided amber clearance lamps showing to the front and red clearance lamps showing to the rear are located on each side at or near the midpoint between the front and rear of the trailer to indicate the extreme width of the trailer.

(c) Loads extending beyond the side of a vehicle where the overall width of the vehicle and load is 80 inches or more shall be equipped with an amber combination clearance and side-marker lamp on the side at the front and a red combination clearance and side-marker lamp on the side at the rear. In lieu of the foregoing requirement, projecting loads not exceeding three feet from front to rear at the extreme width shall be equipped with at least one amber combination clearance and side-marker lamp on the side visible from the front, side, and rear if the projection is near the front of the vehicle and at least one such red lamp if the projection is near the rear of the the vehicle.

(d) Clearance and side-marker lamps are not required on auxiliary dollies or on passenger vehicles other than a housecar.

(e) Clearance lamps shall be visible from all distances between 500 feet and 50 feet to the front or rear of the vehicle, and side-marker lamps shall be visible from all distances between 500 feet and 50 feet to the side of the vehicle.

(f) Clearance lamps shall, so far as is practicable, be mounted to indicate the extreme width of the vehicle. Side-marker lamps shall be mounted not lower than 15 inches on vehicles manufactured on and after January 1, 1968. Combination clearance and side-marker lamps required on loads shall be mounted so the lenses project to the outer extremity of the vehicle or load.

SEC. 2. Section 26701 of the Vehicle Code is amended to read:

26701. (a) No person shall sell, offer for sale, or operate any motor vehicle, except a motorcycle, manufactured after January 1, 1936, unless it is equipped with safety glazing material wherever glazing materials are used in interior partitions, doors, windows, windshields, auxiliary wind deflectors, or openings in the roof.

(b) No person shall sell or offer for sale any camper manufactured after January 1, 1968, nor shall any person operate a motor vehicle registered in this state which is equipped with such a camper, unless the camper is equipped with safety glazing materials wherever glazing materials are used in outside windows and doors, interior partitions, and openings in the roof.

(c) No person shall operate a motorcycle manufactured after January 1, 1969, equipped with a windshield containing glazing material unless it is safety glazing material.

(d) No person shall sell, offer for sale, or operate any motor vehicle equipped with red or amber glazing material in any partitions, windows, windshields, or wind deflectors.

(e) No person shall sell, offer for sale, or operate any trailer coach manufactured after January 1, 1977, that is capable of being towed with a fifth-wheel device unless the trailer coach is equipped with safety glazing materials wherever glazing materials are used in windows or doors, interior partitions, and openings in the roof.

SEC. 3. Section 26703 of the Vehicle Code is amended to read:

26703. (a) No person shall replace any glazing materials used in interior partitions, doors, windows, or openings in the roof in any motor vehicle, in the outside windows, doors, interior partitions, or openings in the roof of any camper, or in windows, doors, interior partitions, or openings in the roof of a trailer coach capable of being towed with a fifth-wheel device, with any glazing material other than safety glazing material.

(b) No person shall replace any glazing material used in the windshield, rear window, auxiliary wind deflectors, or windows to the left and right of the driver with any material other than safety glazing material.

SEC. 4. Section 26704 of the Vehicle Code is amended to read:

26704. The department shall establish specifications or requirements for approved safety glazing material which shall not be lower in standard than those specifications or requirements for safety glazing material adopted pursuant to the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C., Sec. 1381 et seq.). The department shall maintain a list of approved safety glazing material.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

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CHAPTER 901

An act to amend Section 25103 of the Corporations Code, relating to corporations.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 25103 of the Corporations Code is amended to read:

25103. The following transactions are exempted from the provisions of Section 25110 and Section 25120:

(a) Any negotiations or agreements prior to general solicitation of shareholders' approval, and subject to such approval, of a change in the rights, preferences, privileges, or restrictions of or on outstanding securities or a merger, consolidation or sale of corporate assets in consideration of the issuance of securities.

(b) Any change in the rights, preferences, privileges, or restrictions of or on outstanding securities, unless the holders of at least 25 percent of the outstanding shares or units of any class of securities which will be directly or indirectly affected substantially and adversely by such change have addresses in this state according to the records of the issuer.

(c) Any exchange incident to a merger, consolidation, or sale of corporate assets in consideration of the issuance of securities of another corporation, unless at least 25 percent of the outstanding shares of any class, any holders of which are to receive securities in the exchange, are held by persons who have addresses in this state according to the records of the corporation of which they are shareholders.

(d) For the purposes of subdivision (b) and subdivision (c) of this section, (1) any securities held to the knowledge of the issuer in the names of broker-dealers or nominees of broker-dealers and (2) any securities controlled by any one person who controls directly or indirectly 50 percent or more of the outstanding securities of that class shall not be considered outstanding. The determination of whether 25 percent of the outstanding securities are held by persons having addresses in this state, for the purposes of subdivision (b) and subdivision (c) of this section, shall be made as of the record date for the determination of the security holders entitled to vote on or consent to the action, if approval of such holders is required, or if not as of the date of directors' approval of such action.

(e) Any change (other than a stock split or reverse stock split) in the rights, preferences, privileges, or restrictions of or on outstanding shares, except the following if they materially and adversely affect any class of shareholders: (1) to add, change, or delete assessment provisions; (2) to change the rights to dividends thereon; (3) to

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change the redemption provisions; (4) to make them redeemable; (5) to change the amount payable on liquidation; (6) to change, add, or delete conversion rights; (7) to change, add, or delete voting rights; (8) to change preemptive rights; (9) to change, add, or delete sinking fund provisions; (10) to rearrange the relative priorities of outstanding shares; (11) to impose, change, or delete restrictions upon the transfer of shares in the articles of incorporation or bylaws; (12) to change the right of shareholders with respect to the calling of special meetings of shareholders; and (13) to change, add, or delete any rights, preferences, privileges, or restrictions of, or on, the outstanding shares or memberships of a mutual water company or other corporation organized primarily to provide services or facilities to its shareholders or members.

(f) Any stock split or reverse stock split, except the following: (1) any stock split or reverse stock split if the corporation has more than one class of shares outstanding and the split would have a material effect on the proportionate interests of the respective classes as to voting, dividends or distributions; (2) any stock split of a stock which is traded in the market and its market price as of the date of directors' approval of the stock split adjusted to give effect to the split was less than two dollars ($2) per share; and (3) any reverse stock split if the corporation has the option of paying cash for any fractional shares created by such reverse split and as a result of such action the proportionate interests of the shareholders would be substantially altered. Any shares issued upon a stock split or reverse stock split exempted by this subdivision shall be subject to any conditions previously imposed by the commissioner applicable to the shares with respect to which they are issued.

(g) Any change in the rights of outstanding debt securities, except the following if they substantially and adversely affect any class of securities: (1) to change the rights to interest thereon; (2) to change their redemption provisions; (3) to make them redeemable; (4) to extend the maturity thereof or to change the amount payable thereon at maturity; (5) to change their voting rights; (6) to change their conversion rights; (7) to change sinking fund provisions; and (8) to make them subordinate to other indebtedness.

CHAPTER 902

An act to amend Section 11515 of the Vehicle Code, relating to vehicles, and making an appropriation therefor.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11515 of the Vehicle Code is amended to read:

11515. (a) Whenever a vehicle subject to registration is a total loss salvage vehicle as a result of being wrecked or destroyed, the owner, or insurance company or its authorized agent when the salvage vehicle is acquired by an insurance company as a result of a total loss insurance settlement, shall, within 10 days from the loss or settlement of the loss, forward the properly endorsed certificate of ownership or other evidence of title and a three-dollar ($3) fee to the department.

(b) The department, upon receipt of the certificate of ownership or other evidence of title and three-dollar ($3) fee, may issue a salvage certificate for the vehicle.

(c) Prior to the sale of the salvage vehicle the owner shall comply with subdivision (a) of this section. Upon sale of the salvage vehicle, the owner shall, if in possession of the salvage certificate, or immediately after receiving the salvage certificate from the Department of Motor Vehicles, make proper endorsement and delivery of the salvage certificate to the purchaser upon receipt of payment in full for the salvage vehicle. The department shall accept such salvage certificate in lieu of the certificate of ownership or other evidence of title for purposes mentioned in Division 3 (commencing with Section 4000) when accompanied by an appropriate application or other documents and fees as therein required.

(d) When the salvage vehicle is rebuilt and to be restored to operation, the vehicle shall not be licensed for operation or the ownership thereof transferred until there is submitted to the department with the prescribed salvage certificate an appropriate application, official brake and light adjustment certificates issued by an inspection station licensed by the Department of Consumer Affairs, and any other documents and fees required.

(e) The provisions of this section shall not apply to a vehicle which has been driven or taken without the consent of the owner thereof until the vehicle has been recovered by the owner and only if such vehicle is a total loss salvage vehicle.

(f) The provisions of this section shall not apply to a total loss salvage vehicle if the owner retains possession and title to the vehicle, and the fair market value of the vehicle immediately prior to its becoming a total loss salvage vehicle was one thousand dollars ($1,000), or less.

(g) As used in this section, a total loss salvage vehicle is a vehicle which has been wrecked, destroyed, or damaged, to such an extent that the owner, or the insurance company which insures the vehicle, considers it uneconomical to repair the vehicle and because of this, the vehicle is not repaired by or for the person who owned the vehicle at the time of the accident.

SEC. 3. The sum of one hundred twenty-six thousand dollars ($126,000) is hereby appropriated to the Department of Motor Vehicles from the Motor Vehicle Account in the State Transportation

Fund for expenditure for the purposes of this act. The Motor Vehicle Account in the State Transportation Fund shall be reimbursed during the 1976–77 fiscal year for the amount appropriated by this act from the revenues first derived from the fees received pursuant to the provisions of Section 11515 of the Vehicle Code.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not place any financial burden on local government.

CHAPTER 903

An act relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Under its pilot programs, the Director of Health is required to establish a pilot program to compare patient treatment profiles and prior authorization as controls of overutilization. The Legislature finds that further data on the most cost-effective system is needed and may be secured by continuing such pilot project for an additional period in one or more representative geographical areas of the state, such as the area of Fresno County, that have demonstrated ability and willingness to participate. Such established pilot program may continue in Fresno County and such other areas as determined by the Director of Health in carrying out the purpose of this section. The Director of Health shall report to the Legislature the results of the continuation of this project.

This section shall remain in effect only until January 1, 1979, and as of such date is repealed.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to prevent a costly interruption in the continuance of the current pilot program, it is necessary that this act take immediate effect.

CHAPTER 904

An act to amend Section 12101 of, and to add Section 12101.1 to, the Education Code, relating to school attendance.

[Approved by Governor September 12, 1976 Filed with Secretary of State September 13, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 12101 of the Education Code is amended to read:

12101. Each person between the ages of 6 and 16 years not exempted under the provisions of this chapter is subject to compulsory full-time education. Each person subject to compulsory full-time education and each person subject to compulsory continuation education not exempted under the provisions of Chapter 7 (commencing at Section 12551) shall attend the public full-time day school or continuation school or classes for the full time designated as the length of the schoolday by the governing board of the school district in which the residency of either the parent or legal guardian is located and each parent, guardian, or other person having control or charge of such pupil shall send the pupil to the public full-time day school or continuation school or classes for the full time designated as the length of the schoolday by the governing board of the school district in which the residence of either the parent or legal guardian is located. Residency, for the purpose of attendance in the public schools, shall be determined by Section 17.1 of the Welfare and Institutions Code.

Unless otherwise provided for in this code, a pupil shall not be enrolled for less than the minimum schoolday established by law.

SEC. 2. Section 12101.1 is added to the Education Code, to read:

12101.1. Notwithstanding Section 12101, a pupil shall be deemed to have complied with the residency requirements for school attendance in a school district, provided he or she is:

(a) A pupil placed within the boundaries of that school district in a regularly established licensed children's institution, or a licensed foster home, or a family home pursuant to a commitment or placement under Chapter 2 (commencing with Section 500) of Part 1 of Division 2 of the Welfare and Institutions Code.

An agency placing a pupil in such a home or institution shall provide evidence to the school that the placement or commitment is pursuant to law.

(b) A pupil for whom interdistrict attendance has been approved pursuant to the provisions of Article 7 (commencing with Section 10800) of Chapter 1 of Division 9.

(c) A pupil whose residence is located within the boundaries of that school district and whose parent or legal guardian is relieved of responsibility, control, and authority through emancipation.

(d) A pupil whose parent or legal guardian has established the residence of the pupil in a home located within the boundaries of that school district, provided such home is properly licensed as required by law. The person maintaining such a home shall provide evidence to the school that a current license is in effect or that a license is not required under the law.

SEC. 3. There are no state-mandated local costs within the meaning of Section 2231 of the Revenue and Taxation Code imposed on local governmental entities by this act.

CHAPTER 905

An act to amend Sections 5357, 5358, and 5364 of, and to add Sections 5358.2 and 5358.3 to, the Welfare and Institutions Code, relating to conservators.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 5357 of the Welfare and Institutions Code is amended to read:

5357. All conservators shall have the general powers specified in Section 1852 of the Probate Code and such additional powers specified in Section 1853 of the Probate Code as the court may designate. The report shall set forth which, if any, of the additional powers it recommends. The report shall also recommend for or against the imposition of each of the following disabilities on the proposed conservatee:

(a) The privilege of possessing a license to operate a motor vehicle. If the report recommends against this right and if the court follows the recommendation, the agency providing conservatorship investigation shall, upon the appointment of the conservator, so notify the Department of Motor Vehicles.

(b) The right to enter into contracts. The officer may recommend against the person having the right to enter specified types of transactions or transactions in excess of specified money amounts.

(c) The right to refuse or consent to treatment related specifically to the conservatee's being gravely disabled. The conservatee shall retain all rights specified in Section 5325.

(d) The right to refuse or consent to other medical treatment unrelated to remedying or preventing the recurrence of the conservatee's being gravely disabled which is necessary for the treatment of an existing or continuing medical condition. The report shall include an evaluation of such condition and the current treatment for such condition, if any.

SEC. 2. Section 5358 of the Welfare and Institutions Code is

amended to read:

5358. A conservator appointed pursuant to this chapter shall have the right, if specified in the court order, to place his conservatee in a medical, psychiatric, nursing, or other state-licensed facility, or a state hospital, county hospital, hospital operated by the Regents of the University of California, a United States government hospital, or other nonmedical facility approved by the State Department of Health or an agency accredited by the State Department of Health; or in addition to any of the foregoing, in cases of chronic alcoholism, to a county alcoholic treatment center.

A conservator shall also have the right, if specified in the court order, to require his conservatee to receive treatment related specifically to remedying or preventing the recurrence of the conservatee's being gravely disabled, or to require his conservatee to receive other medical treatment unrelated to remedying or preventing the recurrence of the conservatee's being gravely disabled which is necessary for the treatment of an existing or continuing medical condition. Except in emergency cases in which the conservatee faces loss of life or serious bodily injury, no surgery shall be performed upon the conservatee without the conservatee's prior consent or a court order specifically authorizing such surgery obtained pursuant to Section 5358.2.

If the conservatee is not to be placed in his own home or the home of a relative, first priority shall be to placement in a suitable facility as close as possible to his home or the home of a relative.

If requested, the local mental health director shall assist the conservator in selecting a placement facility for the conservatee. When a conservatee who is receiving services from the local mental health program is placed, the conservator shall inform the local mental health director of the facility's location and any movement of the conservatee to another facility.

SEC. 3. Section 5358.2 is added to the Welfare and Institutions Code, to read:

5358.2. If a conservatee requires medical treatment which has not been specifically authorized by the court, the conservator shall, after notice to the conservatee, obtain a court order for such medical treatment, except in emergency cases in which the conservatee faces loss of life or serious bodily injury. The conservatee, if he chooses to contest the request for a court order, may petition the court for hearing which shall be held prior to granting the order.

SEC. 4. Section 5358.3 is added to the Welfare and Institutions Code, to read:

5358.3. At any time, a conservatee or any person on his behalf with the consent of the conservatee or his counsel, may petition the court for a hearing to contest the rights denied under Section 5357 or the powers granted to the conservator under Section 5358. However, after the filing of the first petition for hearing pursuant to this section, no further petition for rehearing shall be submitted for a period of six months.

A request for hearing pursuant to this section shall not affect the right of a conservatee to petition the court for a rehearing as to his status as a conservatee pursuant to Section 5364. A hearing pursuant to this section shall not include trial by jury.

SEC. 5. Section 5364 of the Welfare and Institutions Code is amended to read:

5364. At any time, the conservatee may petition the superior court for a rehearing as to his status as a conservatee. However, after the filing of the first petition for rehearing pursuant to this section, no further petition for rehearing shall be submitted for a period of six months.

CHAPTER 906

An act to amend Sections 823 and 830 of the Unemployment Insurance Code, relating to unemployment insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 823 of the Unemployment Insurance Code is amended to read:

823. (a) For the purpose of payment, by each school employer as defined in Section 135.3, of all or part of the charges for unemployment compensation benefits, fees, assessments, interest, penalties, billings, notices, and other expenses of unemployment insurance for classified school employees pursuant to Section 13658 of the Education Code, moneys budgeted pursuant to subdivisions (b) and (c) of this section shall be remitted by the school employer or on the school employer's behalf by the county auditor to the State Treasurer pursuant to this article, and shall be deposited in the Classified School Employees Fund.

(b) For 1972–1973 and 1973–1974 fiscal years and each subsequent fiscal year, except as provided in subdivision (c), each school employer employing classified school employees shall budget and remit on or before the last day of the calendar month following the close of each calendar quarter to the State Treasurer for deposit in the Classified School Employees Fund in the State Treasury one-half percent (0.5%) of total wages, including taxable wages as well as wages which would be taxable except for the limitation on taxable wages provided under Section 930, but excluding wages paid for specially funded projects.

(c) For the 1976–77 fiscal year only, each school employer employing classified school employees shall budget and remit on or before the last day of the calendar month following the close of each

calendar quarter to the State Treasurer for deposit in the Classified School Employees Fund in the State Treasury two-tenths of one percent (0.2%) of total wages, including taxable wages as well as wages which would be taxable except for the limitation on taxable wages provided under Section 930, but excluding wages paid by specially funded projects.

SEC. 2. Section 830 of the Unemployment Insurance Code is amended to read:

830. (a) For the purpose of financing unemployment insurance coverage for classified employees employed by the school employers under specially funded projects, the funding agency shall remit to each school employer two and seven-tenths percent (2.7%), except as provided for in subdivision (b), plus the rate in effect under Section 976.5, of the taxable wages paid to such employees. The school employer or county auditor shall remit on or before the last day of the calendar month following the close of each calendar quarter to the State Treasurer for deposit in the Classified School Employees Fund in the State Treasury such an amount, whether or not received from the funding agency, for deposit. Such funds become the property of the fund and shall not be held exclusively for employees of specially funded projects.

(b) For the 1976–77 fiscal year only, for the purpose of financing unemployment insurance coverage for classified employees employed by the school employers under specially funded projects, the funding agency shall remit to each school employer one percent (1%) of the total wages paid to such employees. The school employer or county auditor shall remit such funds to the State Treasurer as provided in subdivision (a).

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The existing unemployment insurance tax rate is in excess of the amount needed to finance unemployment insurance for classified employees and in order to reduce the amount of moneys in the Classified School Employees Fund beginning with the commencement of the 1976–77 fiscal year, this act must take effect immediately.

CHAPTER 907

An act to amend Section 960 of the Streets and Highways Code, relating to county highways.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 960 of the Streets and Highways Code is amended to read:

960. Upon the making of such order of abandonment, the public easement, if the county owns only an easement, in the highway or part abandoned, ceases except to the extent reserved in the order of abandonment, and the title to the land previously subject thereto reverts to the respective owners thereof free from the public easement, except to the extent reserved in the order of abandonment. The clerk shall cause a certified copy of such order attested by the clerk under the seal of the board of supervisors to be recorded in the office of the county recorder. Where the county owns the property on which the abandoned highway was located in fee, the board of supervisors may dispose of the property as provided in Section 960.4, subject to any easements reserved in the order of abandonment.

However, no abandonment of the highway or disposal of the highway property shall extinguish the easement of access, regardless of origin, of any parcel of land to the general system of streets and highways or result in any parcel not having any access to a public street or highway.

CHAPTER 908

An act to amend Section 5204 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 5204 of the Vehicle Code is amended to read:

5204. A tab shall indicate the year number for which issued and a tab shall indicate the month of expiration, which tabs, stickers, or other suitable devices shall be attached to the rear license plate assigned to the vehicle for the last preceding registration year in which license plates were issued, and, when so attached, the license plate with such tabs, stickers, or other devices shall, for the purposes of this code, be deemed to be the license plate for the ensuing registration year; except that truck tractors shall display such tabs, stickers, or other devices upon the front license plate assigned to such vehicle.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may

cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 909

An act to amend Sections 637, 710, 710.2, 802, 803, and 803.2 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 637 of the Unemployment Insurance Code is amended to read:

637. "Employment" does not include service performed by either (a) the officers and director of a corporation who are the sole shareholders of the corporation and it is not subject to the Federal Unemployment Tax Act, or (b) the officers and director of a corporation engaged in agriculture who are shareholders of the corporation and it is not subject to the Federal Unemployment Tax Act.

SEC. 1.5. Section 710 of the Unemployment Insurance Code is amended to read:

710. (a) For the purpose of this section, "governmental entity" means political subdivisions or instrumentalities of this state or instrumentalities of this state and of one or more other states or instrumentalities of one or more political subdivisions or departments or units thereof. "Governmental entity" does not include the state.

(b) Except as provided by Sections 710.1 and 710.2, a governmental entity may, when requested by a written petition signed by a majority of the employees (including those with civil service or tenure positions) elect to become an employer subject to this division for not less than two calendar years with respect to all of its employees, or those employee classifications that are exempt from civil service or merit system status who perform work equivalent to those employees of the building trades crafts that are covered by collective-bargaining agreements with respect to wages, hours, fringe benefits and other terms and conditions of employment, and may file its written election with the director. If the director finds that a majority of the employees to be affected by the election to become an employer have signed the petition, the governmental entity shall, upon the written approval of the director, become an employer subject to this division to the same extent as other employers, and services performed by its employees, including

those with civil service or tenure positions, shall constitute employment subject to this division. Beginning at that time it shall withhold from the wages of employees the contributions required for unemployment compensation disability benefits.

(c) In lieu of the contributions required of employers, each governmental entity that has elected coverage under this section may elect financing coverage permitted under Section 803. Any such election under Section 803 shall be terminated on the effective date of the termination of an election for coverage under this section.

(d) The director may require from each governmental entity, such employment, financial, statistical, or other information and reports, properly verified, as may be deemed necessary by the director to carry out his duties under this division, which shall be filed with the director at the time and in the manner prescribed by him.

(e) The director may tabulate and publish information obtained pursuant to this section in statistical form and may divulge the name of the governmental entity.

(f) Each governmental entity shall keep such work records as may be prescribed by the director for the proper administration of this division.

(g) Except as inconsistent with the provisions of this section, the provisions of this division and authorized regulations shall apply to any matter arising pursuant to this section.

SEC. 2. Section 710.2 of the Unemployment Insurance Code is amended to read:

710.2. (a) Any political subdivision of this state for which services are performed in a hospital or institution of higher education, as defined in Section 605.1, located in this state, may elect to become an employer subject to this part and Part 3 (commencing with Section 3501) and Part 4 (commencing with Section 4001) of this division for not less than two calendar years with respect to such services, and to have such services performed by its employees constitute employment subject to this part and Part 3 (commencing with Section 3501) and Part 4 (commencing with Section 4001) of this division for such period. Any election under this section shall include all services of all employees of all hospitals and all institutions of higher education, as defined in Section 605.1, operated in this state by the political subdivision, except as provided by subdivision (b) of this section. If an election is filed, the political subdivision shall become an employer subject to this part and Part 3 (commencing with Section 3501) and Part 4 (commencing with Section 4001) of this division with respect to the services covered to the same extent as other employers, and such services performed by its employees, including those with civil service or tenure positions, shall constitute employment subject to this part and Part 3 (commencing with Section 3501) and Part 4 (commencing with Section 4001) of this division effective on the first day of the calendar quarter following the quarter in which the election is filed. It may also include in any

such election coverage under Part 2 (commencing with Section 2601) of this division, and, if it so elects, beginning at that time it shall withhold from the wages of employees the contributions required for unemployment compensation disability benefits.

(b) The political subdivision may exclude from coverage under an election pursuant to this section any service described in Section 634.5.

(c) In lieu of the contributions required of employers, a political subdivision that has elected coverage under this section shall elect financing that is permitted under Section 803, or shall elect payments in lieu of contributions by the payment of amounts equivalent to the contributions it would make if it were an employer subject to compulsory coverage under this part. Subdivision (b) of Section 802 shall apply to any such election under Section 803, except that any such election under Section 803 shall be terminated on the effective date of the termination of an election for coverage under this section.

(d) The director may require from each political subdivision, such employment, financial, statistical, or other information and reports, properly verified, as may be deemed necessary by the director to carry out his duties under this division, which shall be filed with the director at the time and in the manner prescribed by him.

(e) The director may tabulate and publish information obtained pursuant to this section in statistical form and may divulge the name of the political subdivision.

(f) Each political subdivision shall keep such work records as may be prescribed by the director for the proper administration of this division.

(g) Except as inconsistent with the provisions of this section, the provisions of this division and authorized regulations shall apply to any matter arising pursuant to this section.

SEC. 3. Section 802 of the Unemployment Insurance Code is amended to read:

802. (a) The State of California, or any instrumentality of this state or of this state and one or more other states, for which services are performed that do constitute employment under Section 605, 605.1, or 605.5 may, in lieu of the contributions required of employers, elect to finance its liability for unemployment compensation benefits, extended duration benefits, and federal-state extended benefits with respect to such services by any method of financing coverage that is permitted under Section 803.

(b) Any election under Section 803 for financing coverage under this section shall take effect with respect to services performed from and after the first day of the calendar quarter in which the election is filed with the director, and shall continue in effect for not less than two full calendar years. Thereafter the election under Section 803 may be terminated as of January 1 of any calendar year only if the state or instrumentality, on or before the 31st day of January of that year, has filed with the director a written application for termination. The director may for good cause waive the requirement that a

written application for termination shall be filed on or before the 31st day of January. In no event shall financing coverage by an election under Section 803 be valid that would establish any different method of financing coverage for any calendar quarter where an election for coverage has also been made by the state or any instrumentality under any provision of Article 4 (commencing with Section 701) of this chapter.

(c) The director may require from the state and each instrumentality, including any agent thereof, such employment, financial, statistical, or other information and reports, properly verified, as may be deemed necessary by the director to carry out his duties under this division, which shall be filed with the director at the time and in the manner prescribed by him.

(d) The director may tabulate and publish information obtained pursuant to this section in statistical form and may divulge the name of the state or instrumentality.

(e) The state and each instrumentality, including any agent thereof, shall keep such work records as may be prescribed by the director for the proper administration of this division.

(f) Except as inconsistent with the provisions of this section, the provisions of this division and authorized regulations shall apply to any matter arising pursuant to this section.

SEC. 4. Section 803 of the Unemployment Insurance Code is amended to read:

803. (a) As used in this section "entity" means any employing unit that is authorized or required by any provision of Article 4 (commencing with Section 701) of this chapter or by Section 801 or 802 to elect a method of financing coverage permitted by this section.

(b) In lieu of the contributions required of employers, an entity may elect any one of the following:

(1) To pay into the Unemployment Fund the cost of benefits, including extended duration benefits and federal-state extended benefits, paid based on base period wages with respect to employment for the entity and charged to its account in the manner provided by Section 1026, pursuant to authorized regulations which shall prescribe the rate or amount, time, manner, and method of payment or advance payment or providing a good and sufficient bond to guarantee payment of contributions.

(2) Two or more entities that have elected a method of financing under this section may, pursuant to authorized regulations, file an application with the director for the establishment of a joint account for the purpose of determining the rate of contributions they shall pay into the Unemployment Fund to reimburse the fund for benefits paid with respect to employment for such entities. The members of the joint account may share the cost of benefits, including extended duration benefits and federal-state extended benefits, paid based on the base period wages with respect to employment for such members and charged to the joint account in the manner provided by Section 1026. The director shall prescribe authorized regulations

for the establishment, maintenance, and dissolution of joint accounts, and for the rate or amount, time, manner, and method of payment or advance payment or providing a good and sufficient bond to guarantee payment of contributions by the members of joint accounts, on the cost of benefits charged in the manner provided by Section 1026.

(c) Sections 1030, 1030.5, 1031, 1032, and 1032.5, and any provision of this division for the noncharging of benefits to the account of an employer, shall not apply to an election under subdivision (b) of this section.

(d) In making the payments prescribed by subdivision (b) there shall be paid or credited to the Unemployment Fund, either in advance or by way of reimbursement, as may be determined by the director, such sums as he estimates the Unemployment Fund will be entitled to receive from each entity for each calendar quarter, reduced or increased by any sum by which he finds that his estimates for any prior calendar quarter were greater or less than the amounts which should have been paid to the fund. Such estimates may be made upon the basis of such statistical sampling, or other method as may be determined by the director.

Upon making such determination, the director shall give notice of the determination, pursuant to Section 1140, to the entity. The director may cancel any contributions or portion thereof which he finds has been erroneously determined. The director shall charge to any special fund, which is responsible for the salary of any employee of an entity, the amount determined by the director for which the fund is liable pursuant to this section. The contributions due from the entity shall be paid from the liable special fund, the General Fund, or other liable fund to the Unemployment Fund by the Controller or other officer or person responsible for disbursements on behalf of the entity within 30 days of the date of mailing of the director's notice of determination to the entity. The director for good cause may extend for not to exceed 60 days the time for paying without penalty the amount determined and required to be paid. Contributions are due upon the date of mailing of the notice of determination and are delinquent if not paid on or before the 30th day following the date of mailing of such notice. Any entity which fails to pay the contributions required within the time required shall be liable for interest on the contributions at the rate of 1 percent per month or fraction thereof from and after the date of delinquency until paid, and any entity which without good cause fails to pay any contributions required within the time required shall pay a penalty of 10 percent of the amount of such contributions. If the entity fails to pay the contributions required on or before the delinquency date, the director may assess the entity for the amount required by the notice of determination. The provisions of Article 8 (commencing with Section 1126) of Chapter 4 of Part 1 of this division with respect to the assessment of contributions, and the provisions of Chapter 7 (commencing with Section 1701) of Part 1 of this division with

respect to the collection of contributions, shall apply to the assessments provided by this section. The provisions of Sections 1177 to 1184, inclusive, relating to refunds and overpayments, shall apply to amounts paid to the Unemployment Fund pursuant to this section.

(e) To the extent permitted by federal law, no contributions shall be due from any entity other than a nonprofit organization which has elected financing under subdivision (b) and which has previously made contributions required of employers pursuant to an elective coverage agreement or under compulsory coverage until the cost of benefits paid and reimbursable by the entity under this section together with the benefits charged and chargeable to the reserve account of the entity as a result of its prior election or compulsory coverage exceed the contributions made by the entity and credited to its reserve account pursuant to its prior election or compulsory coverage.

(f) Except with respect to a political subdivision electing coverage pursuant to Section 710.2, the director may terminate the election of any entity for financing under this section if the entity is delinquent in the payment of advances or reimbursements required by the director under this section. After any such termination the entity may again make an election pursuant to this section but only if it is not delinquent in the payment of contributions and not delinquent in the payment of advances or reimbursements required by the director under this section.

(g) Notwithstanding any other provision of this section, no entity shall be liable for that portion of any extended duration benefits or federal-state extended benefits which is reimbursed or reimbursable by the federal government to the State of California.

(h) After the termination of any election under this section, the entity shall remain liable for its proportionate share of the cost of benefits paid and charged to its account in the manner provided by Section 1026, which are based on wages paid for services during the period of the election. Any such liability may be charged against any remaining balance of a prior reserve account used by the entity pursuant to Section 712 or used by a public entity pursuant to subdivision (e). Any portion of such remaining balance shall be included in the reserve account of the entity following any termination of an election under this section which occurs prior to the expiration of a period of three consecutive years commencing with the effective date of such election. For purposes of Section 982, the period of an election under Section 803 shall, to the extent permitted by federal law, be included as a period during which a reserve account has been subject to benefit charges.

SEC. 5. Section 803.2 of the Unemployment Insurance Code is amended to read:

803.2. Notwithstanding any other provision of this article, an entity which elected reimbursement financing under Section 803 and which has acquired a previously accumulated favorable reserve account under Section 712 or subdivision (e) of Section 803 shall be

liable for the reimbursement of benefits pursuant to such election for any benefits chargeable to the reserve account and based upon wages paid prior to such election, to the extent that such benefits exceed the previously accumulated favorable reserve account. "Entity" as used in this section means any entity as defined by subdivision (a) of Section 803.

CHAPTER 910

An act to amend Section 1267 of the Health and Safety Code, relating to health.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 1267 of the Health and Safety Code is amended to read:

1267. Each license issued pursuant to this chapter shall expire 12 months from the date of its issuance and each special permit shall expire on the expiration date of the license. Application for renewal of a license or special permit accompanied by the necessary fee shall be filed with the state department not less than 30 days prior to the expiration date. Failure to make a timely renewal shall result in expiration of the license or special permit.

A renewal license or special permit may be issued for a period not to exceed two years if the holder of the license or special permit has been found in substantial compliance with any statutory requirements, regulations, or standards during the preceding license period.

CHAPTER 911

An act to amend Section 20803.8 of, and to add Section 21200.3 to, the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 20803.8 of the Government Code is amended to read:

20803.8. "State safety service" with respect to a member who becomes a state safety member pursuant to Section 20017.79 shall also

include service prior to January 1, 1977, or the operative date of this section, whichever date is later as an officer or employee of the Adult Authority, Department of Corrections, or the Department of Youth Authority.

SEC. 2. Section 21200.3 is added to the Government Code, to read:

21200.3. Notwithstanding Section 21200.1, the board may fix the effective date of a member's retirement as of a date earlier than the first of the month in which an application for retirement is received in the office of the board, if the board finds: (1) an application is in fact received within four months following the member's separation from state service; (2) the member separated from state service with the intention of retiring; (3) the member failed to submit an application for retirement due to misunderstanding of the requirement therefor, or the member or member's employer undertook to transmit an application for such retirement and failed or delayed unreasonably in such transmission; and (4) the member is living on the date the application is actually received at the office of the board. An effective date fixed pursuant to this section may not be earlier than the effective date found to have been specified in the original application or earlier than the day following the last day for which salary was payable. For purposes of this section, the member's intention to retire may be determined by personnel documents prepared by the employer at time of the member's separation or by affidavit of the member, coworkers or the employer. This section shall also apply to persons retired on and after December 1, 1975, who transmit a request in writing to the board prior to March 1, 1977, for a lump sum payment for the amount of allowance that they would have received if this section had been in effect on the effective date of their retirement.

CHAPTER 912

An act to amend Section 6445.1 of the Education Code, relating to early childhood education.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6445.1 of the Education Code is amended to read:

6445.1. The Legislature hereby finds and declares that a comprehensive program of early childhood education is needed to restructure public education in California. The Legislature, therefore, declares its intent to require that the State Board of Education develop a comprehensive program for children ages 3

years and 9 months to the completion of grade 3, or its equivalent. The objectives of this plan will include assurance that each child will have an individualized program to permit the development of his maximum potential and that all pupils who have completed the third grade of the state's educational system will have achieved a level of competence in the basic skills of reading, language, and mathematics, and in intrapersonal (self-understanding, self-awareness, and self-esteem) and interpersonal (understanding, being aware of, and esteeming others) relationships, sufficient to continued success in their educational experiences. The system will be based on the development of local school-by-school master plans for early childhood education developed and submitted by local school districts which shall include a phase-in program based on an increase in the number of schools in the state participating each year until maximum participation is achieved.

CHAPTER 913

An act to add Sections 1919.1, 2273, and 2290.5 to the Health and Safety Code, relating to health.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1919.1 is added to the Health and Safety Code, to read:

1919.1. Notwithstanding any other provision of this article, a dog used by any state, county, city, or city and county law enforcement agency shall not be quarantined after biting any person if such bite occurred while the dog was being used for any law enforcement purpose. The law enforcement agency shall make the dog available for examination at any reasonable time. The law enforcement agency shall notify the local health officer if the dog exhibits any abnormal behavior.

SEC. 2. Section 2273 is added to the Health and Safety Code, to read:

2273. The procedures for abatement of nuisances and assessment of the cost thereof as a lien against properties, as provided for pest abatement districts in Chapter 8 (commencing with Section 2800) of this division, may be utilized by the district board as an alternative to the abatement procedures set forth in this chapter.

SEC. 3. Section 2290.5 is added to the Health and Safety Code, to read:

2290.5. Any district may also abate as a nuisance any infestation of rats either by court proceeding or by administrative action and may collect the costs thereof in the same manner provided for the

abatement of breeding places for mosquitoes, flies, and other insects.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because duties, obligations, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 914

An act to amend Sections 14053, 14106, and 14132 of, and to add Section 14064 to, the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 12, 1976. Filed with Secretary of State September 13, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 14053 of the Welfare and Institutions Code is amended to read:

14053. The term "health care services" means:

1. Inpatient hospital services (other than services in a medical institution for tuberculosis or mental diseases except to the extent permitted by federal law) in and by a medical institution or facility operated by, or licensed by, the United States, one of the several states, a political subdivision of a state, the State Department of Health, or exempt from such licensure pursuant to subdivision (c) of Section 1415 of the Health and Safety Code.

2. Outpatient hospital services.

3. Laboratory and X-ray services.

4. Skilled nursing facility (other than services in a medical institution for tuberculosis or mental disease except to the extent permitted by federal law), as defined for the purpose of securing federal approval of a plan under Title XIX of the Federal Social Security Act, to persons 21 years of age or older, or to persons under 21 years of age to the extent permitted by federal law.

5. Physicians' services, whether furnished in the office, the patient's home, a hospital, or a skilled nursing facility, or elsewhere.

6. Medical care, or any other type of remedial care recognized under the laws of this state, furnished by licensed practitioners within the scope of their practice as defined by the laws of this state. Other remedial care shall include, without being limited to, treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan.

7. Home health care services.

8. Private duty nursing services.

9. Outpatient clinic services.

10. Dental services.

11. Physical therapy and related services.

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select.

13. Other diagnostic, screening, preventive, or rehabilitative services.

14. Intermediate care facility services (other than such services in an institution for tuberculosis or mental diseases except to the extent permitted by federal law) for individuals who are determined, in accordance with Title XIX of the Federal Social Security Act, to be in need of such care.

15. Inpatient hospital services and skilled nursing facility services for any individual 65 years of age or over in an institution for tuberculosis or mental diseases.

16. Inpatient hospital services for any individual under 21 years of age in an institution for mental diseases. Any individual under 21 years of age receiving such inpatient psychiatric hospital services immediately preceding the date on which he attains age 21 may continue to receive such services until he attains age 22.

17. Family planning services.

18. Inpatient intensive rehabilitation hospital services in a general acute care hospital.

The term "health care services" shall not include, except to the extent permitted by federal law,

a. Any care or services for any individual who is an inmate of an institution (except as a patient in a medical institution); or

b. Any care or services for any individual who has not attained 65 years of age and who is a patient in an institution for tuberculosis; or

c. Any care or services for any individual who is 21 years of age or over, except as provided in paragraph 16 of this section, and has not attained 65 years of age and who is a patient in an institution for mental diseases.

SEC. 2. Section 14064 is added to the Welfare and Institutions Code, to read:

14064. A. Inpatient intensive rehabilitation hospital services shall consist of programs for:

1. Strengthening and training of selected muscle groups.

2. Preservation and restoration of joint mobility (prevention and correction of contractures).

3. Training in application and use of equipment.

4. Training in activities of daily living, self-care, locomotion and homemaking skills.

5. Cognitive reorganization and communication skills.

6. Resolution of psychological and social problems which are impeding rehabilitation.

B. These programs shall use a multidiscipline approach carried out under the general or direct supervision of a physician with special

training or experience in the field of rehabilitation. When medically indicated, a program of this scope includes but is not limited to:

1. Skilled rehabilitation nursing care.
2. Physical therapy.
3. Occupational therapy.
4. Speech therapy.
5. Prosthetic or orthotic services.
6. Psychologist services.
7. Medical social worker services.

C. A typical program shall provide for:

1. Initial evaluation (7–10 days) for assessment of medical condition, functional limitations, possible need for surgery, attitude toward rehabilitation, functional goals and plans for discharge.

2. Where the rehabilitation potential is undetermined, the patient shall be placed on a 14-day trial program. If no improvement is noted after this period, definitive plans for discharge should be made.

3. Where the initial evaluation results in a conclusion by the rehabilitation team that a significant practical improvement can be expected in a reasonable period of time, the program should continue until such time as further progress toward the established rehabilitation goals is unlikely or it can be achieved in a less intensive setting.

SEC. 3. Section 14106 of the Welfare and Institutions Code is amended to read:

14106. Notwithstanding any other provision of law, payment for inpatient hospital services and inpatient intensive rehabilitation hospital services shall be based on the lesser of reasonable costs, as determined by the director in accordance with applicable federal law, or the hospital's customary charges for such services.

SEC. 4. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and occupational therapy, are covered subject to utilization controls.

(c) Skilled nursing facility services, including podiatry and physician's services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Physical therapy, occupational therapy, speech therapy, nd audiology services for patients in skilled nursing facilities are covered subject

to utilization controls.

(d) Purchase of precribed drugs is covered subject to the Medi-Cal Drug Formulary and utilization controls.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist's services when provided as part of an outpatient medical procedure, nurse anesthetists services when rendered by an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered to the extent prescribed.

(g) Blood and blood derivatives are covered.

(h) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions which preclude the use of removable dental prostheses.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls.

(*l*) Hearing aids are covered, subject to utilization controls.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls.

(n) Intermediate care facility services, including physician services, and prescribed drugs as described in subdivision (d) are covered, subject to utilization controls. Physical therapy, occupational therapy, speech therapy and audiology services for patients in intermediate care facilities are covered subject to utilization controls.

(o) Family planning services are covered, subject to utilization controls.

(p) Inpatient intensive rehabilitation hospital services in a general acute care hospital are covered, subject to utilization controls, when the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery; or

(2) A patient with a chronic or progressive disease requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

SEC. 4.5. Section 14132 of the Welfare and Institutions Code is

amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and occupational therapy, are covered subject to utilization controls.

(c) Skilled nursing facility services, including podiatry and physician's services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Physical therapy, occupational therapy, speech therapy, and audiology services for patients in skilled nursing facilities are covered subject to utilization controls.

(d) Purchase of prescribed drugs is covered subject to the Medi-Cal Drug Formulary and utilization controls.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist's services when provided as part of an outpatient medical procedure, nurse anesthetists services when rendered by an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered to the extent prescribed.

(g) Blood and blood derivatives are covered.

(h) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions which preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities administered by the department's crippled children services program.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls.

(*l*) Hearing aids are covered, subject to utilization controls.

(m) Durable medical equipment and medical supplies are

covered, subject to utilization controls.

(n) Intermediate care facility services, including physician services, and prescribed drugs as described in subdivision (d) are covered, subject to utilization controls. Physical therapy, occupational therapy, speech therapy and audiology services for patients in intermediate care facilities are covered subject to utilization controls.

(o) Family planning services are covered, subject to utilization controls.

(p) Inpatient intensive rehabilitation hospital services in a general acute care hospital are covered, subject to utilization controls, when the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an impatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery; or

(2) A patient with a chronic or progressive disease required an impatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

SEC. 5. It is the intent of the Legislature, if this bill and Assembly Bill No. 4119 are both chaptered and become effective January 1, 1977, both bills amend Section 14132 of the Welfare and Institutions Code and this bill is chaptered after Assembly Bill No. 4119, that the amendments to Section 14132 proposed by both bills be given effect and incorporated in Section 14132 in the form set forth in Section 4.5 of this act. Therefore, Section 4.5 of this act shall become operative only if this bill and Assembly Bill No. 4119 are both chaptered and become effective January 1, 1977, both amend Section 14132, and this bill is chaptered after Assembly Bill No. 4119, in which case Section 4 of this act shall not become operative.

CHAPTER 915

An act to add Chapter 4.5 (commencing with Section 2801) to Part 2 of Division 1 of the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 4.5 (commencing with Section 2801) is added to Part 2 of Division 1 of the Public Utilities Code, to read:

CHAPTER 4.5. PRIVATE ENERGY PRODUCERS

Article 1. General Provisions and Definitions

2801. The Legislature hereby finds and declares that in order to promote the more rapid development of new sources of natural gas and electric energy, to maintain the economic vitality of the state through the continuing production of goods and the employment of its people, and to promote the efficient utilization and distribution of energy, it is desirable and necessary to encourage private energy producers to competitively develop independent sources of natural gas and electric energy not otherwise available to California consumers served by public utilities, to require the transmission by public utilities of such energy for private energy producers under certain conditions, and remove unnecessary barriers to energy transactions involving private energy producers.

2802. "Private energy producer" includes every person, corporation, city, county, district, and public agency of the state generating or producing electricity not generated from conventional sources or natural gas for energy either directly or as a byproduct solely for his or its own use or the use of his or its tenants and not for sale to others. A private energy producer shall not be found to be an electrical corporation or a gas corporation as defined in this code solely because the electricity or gas is being transmitted in part through facilities owned by a public utility.

2803. "Interconnection" means the facilities necessary to physically connect the energy source of and the point of use by a private energy producer with the existing transmission facilities of a public utility, and shall include any necessary transformation, compression or other facilities necessary to make such interconnection effective.

2804. "Transmission service" means the intrastate transfer of electricity or natural gas by a public utility for any private energy producer between the points of interconnection for use within this state in the service area of the utility.

2805. "Conventional power source" means hydropower or power derived from nuclear energy or the combustion of fossil fuels.

2806. "Fossil fuel" means a mixture of hydrocarbons including coal, petroleum, or natural gas, occurring in and extracted from underground deposits.

Article 2. Interconnection of Facilities

2811. In order to promote the more efficient use and distribution of natural gas or electric energy and eliminate the necessity for construction of transmission facilities for gas or electricity produced by a private energy producer separate from those which may already exist to serve the same area and are owned and operated by a public utility subject to the jurisdiction and control of the Public Utilities

Commission, the commission shall authorize the construction of an interconnection by a private energy producer upon application of such producer if the commission makes the findings required by Sections 2812 and 2812.5.

2812. Upon application of a private energy producer, and after notice to any affected public utility and hearing thereon, the commission shall authorize such producer to construct an interconnection for the purpose of transporting natural gas, if the commission finds: (1) that such interconnection is in the public interest and for the general public benefit, (2) involves natural gas located within this state in the service area of the public utility, ultimately consumed within this state, and which would otherwise be undeveloped because a public utility is unable or unwilling to purchase it at a price the commission finds to be reasonable, (3) would not cause energy which would likely otherwise be made available to the general public to be diverted to the private energy producer, and (4) that the energy has substantially the equivalent quality and characteristics as the energy in the utility's transmission system with which the interconnection would be made. The commission shall prescribe such reasonable terms, conditions, and requirements as it deems appropriate.

2812.5. Upon application of a private energy producer, and after notice to any affected public utility and hearing thereon, the commission shall authorize such producer to construct an interconnection for the purpose of transmitting electricity, if the commission finds:

(1) That no uncompensated burden will be placed upon the utility or utilities furnishing the transmission service.

(2) That furnishing the transmission service will not result in any added costs or any other adverse consequences for the customers of the electrical corporation.

(3) That the facilities proposed in the application will be used to transmit power from other than a conventional power source for generating electrical power.

The commission shall prescribe such reasonable terms, conditions, and requirements as it deems appropriate.

2813. The private energy producer shall be required to provide and to pay the total cost of the interconnection as well as any costs associated with providing a transmission capacity sufficient to handle that portion of the energy generated by the private energy producer that is over and above the capacity otherwise required by the public utility to service its utility customers and meet other authorized commitments. The public utility shall not be required to construct any additional electric or gas facilities on its system or to acquire any real property by eminent domain or otherwise for such facilities, in order to perform the service contemplated by this chapter unless the cost of such additional facilities or acquisitions are to be borne by the private energy producer.

2814. The commission shall prescribe reasonable compensation

to be paid to the public utility performing the transmission service.

2815. Nothing in this chapter shall require that any private energy producer perform any service or deliver any commodity to the public or any portion thereof, for compensation or otherwise, except as provided in this article.

2816. Every public utility shall keep accurate records of transactions with a private energy producer, and of the use of the public utility's facilities by the private energy producer, pursuant to an interconnection ordered or approved by the commission and shall render such reports thereon to the commission as the commission may from time to time require. The commission may disapprove any such transaction or use if, after hearing, it finds such transaction or use to be inconsistent with this chapter or any rule, regulation, or order of the commission.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to promote the more rapid development of new sources of energy, including alternate sources, in order to maintain the economic vitality of the state, it is necessary that this act go into immediate effect.

CHAPTER 916

An act to amend Sections 3780 and 5010 of, and to add Section 5360 to, the Elections Code, relating to advisory elections.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3780 of the Elections Code is amended to read:

3780. As used in this article, "county measure" includes any proposed county charter, any proposed amendment to a county charter, any proposition for the issuance of funding or refunding bonds of the county, any other question or proposition submitted to the voters of a county at any election held throughout an entire single county, any advisory question, or any bond proposal or any advisory question submitted to the voters of any public district although the boundaries of the district may be coterminous with those of the county.

SEC. 2. Section 5010 of the Elections Code is amended to read:

5010. As used in this article, "city measure" includes any proposed city charter, any proposed amendment to a city charter, any proposition for the issuance of bonds by the city, any advisory

question, or any other question or proposition submitted to the voters of a city.

SEC. 3. Section 5360 is added to the Elections Code, to read:

5360. (a) Each city, county, city and county, and district may hold, at their discretion, an advisory election in consolidation with scheduled elections of the city, county, city and county, or district for the purpose of allowing voters within the respective jurisdiction to voice their opinion on substantive issues or to indicate to the local legislative body approval or disapproval of the ballot proposal.

(b) An advisory vote will be indicated as such on the ballot as a heading above the ballot proposal and by only the following description: "Advisory Vote Only."

(c) As used in this section, "advisory vote" means an indication of general voter opinion regarding the ballot proposal. The results of the advisory vote will in no manner be controlling on the sponsoring legislative body.

CHAPTER 917

An act to add Article 7 (commencing with Section 1625) to Chapter 4 of Division 2 of the Health and Safety Code, relating to blood transfusions.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares that transfusion-associated hepatitis is a serious disease for which, as yet, no effective preventative has been found; that current medical technology can assure the detection of only a small percentage of the hepatitis-infected units of blood being used; that the incidence of transfusion-associated hepatitis occurs in a significantly greater number of cases when blood from a paid donor is used rather than when blood is used from a donor who gives blood without payment therefor; that by prohibiting the use of paid donors, the incidence of transfusion-associated hepatitis can be substantially reduced; and that in order to protect the public health, the Legislature finds that it is necessary to prohibit, with certain exceptions, the transfusion of blood derived from paid donors.

SEC. 2. Article 7 (commencing with Section 1625) is added to Chapter 4 of Division 2 of the Health and Safety Code, to read:

Article 7. Blood Donations

1625. As used in this article:

(a) "Blood" means human whole blood or components of human

blood, including plasma, which are prepared from human whole blood by physical, rather than chemical processes, but does not include blood derivatives manufactured or processed by industrial use.

(b) "Industrial use" means a use of blood in which the blood is modified by physical or chemical means to produce derivatives for therapeutic or pharmaceutic biologics, laboratory reagents, or in vitro diagnostics.

(c) "Paid donor" means a person who donates blood and who receives payment in return for the donation of such blood.

(d) "Payment" means the transfer by a blood bank to any person of money or any other valuable consideration which can be converted to money by the recipient, except that payment shall not include any of the following:

(1) Cancellation or refund of the nonreplacement fees or related blood transfusion charges;

(2) Blood assurance benefits to a person as a result of a blood donation to a donor club or blood assurance program; or

(3) Time away from employment granted by an employer to an employee in order to donate blood.

(e) "Person" means any individual, blood bank, hospital, firm, corporation, or any other entity.

(f) "Transfusion" means a use of blood in which the blood is administered to a human being for treatment of sickness or injury.

1626. (a) Except as provided in subdivision (b), on or after July 1, 1977, it shall be unlawful, in any transfusion of blood, to use any blood which was obtained from a paid donor.

(b) Subdivision (a) shall not be applicable to any transfusion of blood which was obtained from a paid donor if the physician performing the transfusion has determined, taking into consideration the condition of the patient who is the recipient of the transfusion, that other blood of a type compatible with the blood type of the patient cannot reasonably be obtained for the transfusion.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable changes.

CHAPTER 918

An act relating to the Commission of the Californias, and making an appropriation therefor.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The sum of nine thousand six hundred sixty dollars ($9,660) is hereby appropriated from the General Fund to the Commission of the Californias in augmentation of funds appropriated pursuant to Item 35 of the Budget Act of 1976 (Chapter 320 of the Statutes of 1976).

CHAPTER 919

An act to repeal and add Section 6546.1 to the Government Code, relating to joint exercise of powers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6546.1 of the Government Code is repealed.

SEC. 2. Section 6546.1 is added to the Government Code, to read:

6546.1. In the County of Los Angeles, any agency, commission, or board provided for by joint powers agreement entered into by cities pursuant to Article 1 (commencing with Section 6500) of this chapter for the purpose of the acquisition, operation, repair, maintenance and administration of the Hollywood-Burbank Airport as a public airport, pursuant to the Federal Aviation Act of 1958, as amended, may carry out such purpose and may authorize the issuance of revenue bonds, pursuant to this article, to pay for acquiring, repairing, and financing such project including all facilities and improvements and all expenses incidental thereto or connected therewith. Property tax revenues accruing to, levied by, or collected by any local agency which is a party to such a joint powers agreement shall not be used to redeem such revenue bonds unless an ordinance authorizing the use of such property tax revenues for such purposes is approved by a majority vote of the electors of the local agency voting on the issue. In operating the airport, the separate public entity above mentioned shall not permit or authorize any activity in conjunction with the airport which results in an increase of the size

of the noise impact area based on a community noise equivalent level of 70 decibels as established pursuant to Title 4, California Administrative Code, Chapter 9, Subchapter 6, and shall further comply with the future community noise equivalent levels prescribed by such title as it now exists or is hereafter amended.

The separate public entity shall implement the noise monitoring requirements set forth in Title 4, California Administrative Code, Chapter 9, Subchapter 6. In addition, the entity shall diligently pursue all reasonable avenues available to insure that the adverse affects of noise are being mitigated to the greatest extent reasonably possible.

The power to issue revenue bonds under this section shall be of no further force in effect after December 31, 1980, unless the entity is unable to accomplish the purpose of this section by reason of litigation, in which case this section shall continue to be effective until the final determination of such litigation and for one year thereafter.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that meaningful negotiations for the acquisition of the Hollywood-Burbank Airport may be successfully concluded in order to preserve and continue it as an existing public airport facility it is essential that this act take effect immediately.

CHAPTER 920

An act making an appropriation for state building construction and acquisition, and in this connection amending and supplementing the Budget Act of 1976 by adding Item 373.2 thereto, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Item 373.2 is added to the Budget Act of 1976, to read:

373.2. For capital outlay, Department of General Services $2,500,000

Schedule:

(a) Architectural services and project planning relating to the construction of a state office building in the City of Santa Rosa pursuant to the provisions of Section 7 of Chapter

1243 of the Statutes of 1972 300,000
provided, that the funds appropriated in this subitem shall be loaned to the Santa Rosa Community Development Commission and shall be repaid immediately prior to the letting of construction contracts by the commission out of the initial proceeds of bonds sold for the purpose of financing the construction of the building, subject to any conditions imposed by the Director of Finance.

(b) Acquisition of the State Compensation Insurance Fund Building in San Francisco 2,200,000

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of this act may enable the early acquisition and construction of state buildings provided in this act, it is necessary that this act go into immediate effect.

CHAPTER 921

An act to add Section 15957.1 to the Education Code, relating to school contracts.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 15957.1 is added to the Education Code, to read:

15957.1. It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

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CHAPTER 922

An act to amend Sections 610, 927, 1551, and 1902 of, and to add Sections 1550.1 and 1901.5 to, the Probate Code, and to amend Section 14506 of the Revenue and Taxation Code, relating to probate.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 610 of the Probate Code is amended to read:

610. If the executor or administrator neglects or refuses to file the inventory within the time prescribed, the court, upon notice, may revoke his letters, and he shall be liable for any injury to the estate or any person interested therein, arising from such failure. Any damages awarded pursuant to this section shall be a charge upon the bond of the personal representative. If the bond is insufficient, or if there is no bond, then the damages shall be a charge against the personal assets of the personal representative.

SEC. 2. Section 927 of the Probate Code is amended to read:

927. Any person interested in the estate may appear and file written exceptions to the account, and contest the same, including objecting to the values of assets shown on the inventories and appraisements filed in the proceedings if a certificate of no tax is filed, but any change in valuations shall not affect an order fixing the state inheritance tax. Upon the hearing, the executor or administrator may be examined on oath touching the account and the property and effects of the decedent, and the disposition thereof. All matters, including allowed claims not passed upon on the settlement of any former account and not reduced to judgment, may be contested for cause shown. The court may appoint one or more referees to examine the accounts, and make report thereon, subject to confirmation; may allow a reasonable compensation to them to be paid out of the estate; and may issue such other orders as the court may deem necessary to effect the provisions of this section.

SEC. 3. Section 1550.1 is added to the Probate Code, to read:

1550.1. Within 15 days after the inventory and appraisement is filed with the court the guardian of the estate, or any person interested in the estate, may file written objections to any or all appraisals which objections shall be set for hearing by the clerk not less than 15 days after the filing of such objections, and the clerk shall give notice thereof in the manner provided in Section 1600. The party objecting shall cause to be served upon the personal representative, if not the objecting party, and upon all relatives within the second degree, and the inheritance tax referee notice of hearing and a copy of the objections at least 10 days before the hearing.

The court at the hearing may fix the true value of any asset to which objection has been filed. In this regard the court may cause an independent appraisal or appraisals to be made by at least one additional appraiser at the expense of the estate or, if the objecting party is not the personal representative and if the objection is rejected by the court, the court may assess the cost of such additional appraisal or appraisals against the objecting party.

SEC. 4. Section 1551 of the Probate Code is amended to read:

1551. If the guardian neglects or refuses to file the inventory within the time prescribed, the court, upon notice, may revoke his letters, and he shall be liable for any injury to the estate or any person interested therein, arising from such failure. Any damages awarded pursuant to this section shall be a charge upon the bond of the guardian. If the bond is insufficient, or if there is no bond, then the damages shall be a charge against the personal assets of the guardian.

SEC. 5. Section 1901.5 is added to the Probate Code, to read:

1901.5. Within 15 days after the inventory and appraisement is filed with the court, the conservator of the estate, or any person interested in the estate, may file written objections to any or all appraisals which objections shall be set for hearing by the clerk not less than 15 days after the filing of such objections, and the clerk shall give notice thereof in the manner provided in Section 1200. The party objecting shall cause to be served upon the personal representative, if not the objecting party, and upon relatives within the second degree, and the inheritance tax referee notice of hearing and a copy of the objections at least 10 days before the hearing.

The court may fix the true value of any asset to which objection has been filed. In this regard the court may cause an independent appraisal or appraisals to be made by at least one additional appraiser at the expense of the estate or if the objecting party is not the personal representative, and if the objection is rejected by the court, the court may assess the cost of such additional appraisal or appraisals against the objecting party.

SEC. 6. Section 1902 of the Probate Code is amended to read:

1902. If a conservator neglects or refuses to file any inventory required by the provisions of this chapter, within the time prescribed, the court, on its own motion or on the petition of any party interested in the estate, upon notice, served upon him as provided or permitted by Section 1755, may revoke his letters, and he shall be liable for any injury to the estate or any person interested therein, arising from such failure. Any damages awarded pursuant to this section shall be a charge upon the bond of the conservator. If the bond is insufficient, or if there is no bond, then the damages shall be a charge against the personal assets of the conservator.

SEC. 7. Section 14506 of the Revenue and Taxation Code is amended to read:

14506. Upon the completion of the appraisement and within 60 days after the receipt of such information and documentation by the referee needed to assess the tax or to issue a certificate of no tax, as

may be evidenced by an affidavit which is filed in the proceedings by the person seeking a determination of tax or no tax and served by mail on the referee, the referee shall file a written inheritance tax report or the certification that no tax is due with the clerk of the court. If the referee does not comply with the provisions of this section, the court may issue any orders which may be necessary to effect compliance. The written report or certification shall set forth the following:

(a) The clear market value of the property included in each transfer subject to this part from the decedent to any person sharing in the estate, whether the property transferred is in the estate or not.

(b) The amount of tax which is due and payable on each transfer.

(c) Such other facts as may advise the court in regard to the tax, or which the court may require.

In addition to filing the report, the referee may file with the court any deposition, exhibit, other evidence, or other information taken before or submitted to him.

In the case of any amount required to be shown on a form prescribed by the Controller for any return, statement, report, or other document, if such amount of such item is other than a whole-dollar amount, the fractional part of a dollar may be disregarded unless it amounts to one-half dollar or more, in which case the amount (determined without regard to the fractional part of a dollar) shall be increased by one dollar ($1). The provisions of this section shall not be applicable to items which must be taken into account in making the computations necessary to determine the amount required to be shown on the form, but shall be applicable only to such final amount.

CHAPTER 923

An act to amend Section 789.7b of the Civil Code, and to add Section 739.5 to the Public Utilities Code, relating to utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares as follows:

(a) Increasing numbers of the state's population are residing in mobilehome parks.

(b) It is in the best interests of the state to protect such tenants by taking reasonable steps to remove conditions which would necessitate rent increases by such parks.

(c) Many mobilehome parks own and maintain distribution

facilities for gas and electric service to park tenants.

(d) The California Public Utilities Commission has for many years required that parks charge for submetered gas and electric service to tenants the same rate as would be charged by the utility company if serving the tenants directly.

(e) The existing tariffs of regulated public utilities have enabled the mobilehome parks to recoup a part or all of their expenses in maintaining and operating such submetered distribution systems.

(f) The rates charged by a regulated public utility to a mobilehome park and the rate charged by such park to its tenants should provide a differential sufficient to enable the park to cover its costs of providing submetered gas and electric service.

(g) The maintenance of such differential will benefit tenants of mobilehome parks by enabling them to have the full benefit of "lifeline rates."

SEC. 2. Section 789.7b of the Civil Code is amended to read:

789.7b. If the mobilehome park management provides both master meter and submeter service of utilities to tenants in the mobilehome park, the following standard method of billing shall be used. For each billing period the cost of the charges for the period shall be separately stated along with the opening and closing meter reading for the tenant. The mobilehome park management shall post in a conspicuous place the prevailing residential utility rate schedule as published by the serving utility.

SEC. 3. Section 739.5 is added to the Public Utilities Code, to read:

739.5. The commission shall require that, whenever domestic gas or domestic electric service, or both, is provided by a master meter customer to users through a submeter service system, the master meter customer providing such submeter service, whether such customer is a mobilehome park, an apartment house, or a similar establishment, shall charge each user at the same rate which would be applicable if the user were receiving such gas or electricity or both, directly from the serving utility. The commission shall require the serving utility to establish uniform rates for each service schedule area for master meter service at a level which will provide a sufficient differential to cover the reasonable average costs to master meter customers of providing such submeter service provided, however, that such costs shall not exceed the average cost that the serving utility would have incurred in providing comparable services beyond the master meter to the submeter tenants.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to provide basic utility service to submeter utility users at rates which are commensurate with the rates charged to direct service users and to permit master meter service customers to recover their reasonable costs for providing submeter service

without passing such costs on to submeter utility users, it is necessary that this act shall go into immediate effect.

CHAPTER 924

An act to add Section 778 to the Public Utilities Code, relating to the Public Utilities Commission.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 778 is added to the Public Utilities Code, to read:

778. The commission shall adopt rules and regulations, which shall become effective on July 1, 1977, relating to safety appliances and procedures for rail transit services operated at grade and in vehicular traffic. The rules and regulations shall include, but not be limited to, provisions on grade crossing protection devices, headways, and maximum operating speeds with respect to the speed and volume of vehicular traffic within which the transit service is operated.

The commission shall submit the proposed rules and regulations to the Legislature not later than April 1, 1977.

SEC. 2. There are no state-mandated local costs in this act that require reimbursement under Section 2231 of the Revenue and Taxation Code because there are no new duties, obligations or responsibilities imposed on local government by this act.

CHAPTER 925

An act to add Article 10 (commencing with Section 31145) to Chapter 1 of Part 5 of Division 12 of the Water Code, relating to the Stinson Beach County Water District.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 10 (commencing with Section 31145) is added to Chapter 1 of Part 5 of Division 12 of the Water Code, to read:

Article 10. Stinson Beach County Water District

31145. In addition to the other powers provided by law, the Stinson Beach County Water District, Marin County, shall have all of the following powers and shall promptly and effectively exercise such powers as may be appropriate for improving water quality and supply, reducing use of water, and preventing nuisance, pollution, waste, and contamination of water:

(a) To carry on technical and other investigations, examinations, or tests, of all kinds, make measurements, collect data, and make analyses, studies, and inspections pertaining to the water supply, use of water, water quality, nuisance, pollution, waste, and contamination of water, both within and without the district, including, but not limited to, such activities related to use of public, combined, or private septic and septic tank disposal systems.

(b) To regulate, prohibit, or control the discharge of pollutants, waste, or any other materials into the ground or surface waters of the district or the contiguous seashores of the district by requiring dischargers to obtain a permit from the district prior to any such discharge and by prohibiting the discharge of pollutants, sewage, septic drainage, or any other material which does or may cause a nuisance into the ground or surface waters of the district or the contiguous seashores of the district without a permit having first been obtained from the district; to charge fees for the issuance and periodic renewal of such permits in such amount as will defray all or a portion of the costs of exercising the powers provided in this article; to require all permittees to indemnify the district from any and all damages, penalties, or other expenses imposed on or required of the district by federal, state, regional, or local agencies due to any discharge by such permittees into ground or surface waters of the district or the contiguous seashores of the district; to require as a condition of obtaining discharge permits from the district that all such dischargers also obtain state and federal waste discharge permits and any other permits required by federal, state, regional, or local law.

(c) To adopt and enforce regulations within the incorporated and unincorporated areas of the district, after holding a public hearing on reasonable notice thereof, to control and enhance the quality of the ground and surface waters of the district, to eliminate the pollution, waste, and contamination of water flowing into, through, or originating within water courses and impoundments, both natural and artificial, within the district, to prevent contamination, nuisance, pollution, or otherwise rendering unfit for beneficial use the surface or ground water used or useful in the district, and to expend such amounts as are necessary to exercise such powers from the funds of the district.

(d) To increase, to improve the quality of, and to prevent the waste or diminution of the water supply in, or unlawful exportation of water from, the district; to obtain, retain, conserve, treat by

physical, chemical, or biological processes, or otherwise reclaim sanitary, sewage, drainage, storm, flood, and other water for beneficial use within the district or for storage, discharge, or disposal in accordance with legally established water quality specifications; and, whenever the board of directors shall find it to be in the best interests of the district so to do, to sell such water for agricultural, domestic, or other beneficial purposes within or without the district upon such terms and conditions as may be prescribed by the board.

31146. The district shall immediately do all such acts as are reasonably necessary to secure compliance with any federal, state, regional or local law, order, regulation or rule relating to water pollution or the discharge of pollutants, waste or any other material within the area of the district. For such purpose, any authorized representative of the district, upon presentation of his credentials, or, if necessary under the circumstances, after obtaining an inspection warrant pursuant to Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, shall have the right of entry to any premises on which a water pollution, waste, or contamination source, including, but not limited to, septic tanks, is located for the purpose of inspecting such source, including securing samples of discharges therefrom, or any records required to be maintained in connection therewith by federal, state, or local law, order, regulation, or rule.

31147. (a) Violation of any of the provisions of a district regulation adopted pursuant to Section 31145 may be abated as a public nuisance by the district, and the board may by regulation establish a procedure for the abatement of such a nuisance and to assess the cost of such abatement to the violator. If the violator maintains the nuisance upon real property in which he has a fee title interest, the assessment shall constitute a lien upon such real property.

(b) The amount of any costs incurred by the district in abating such a nuisance upon real property, shall be added to, and become part of, the annual taxes next levied upon the real property subject to abatement and shall constitute a lien upon that real property as of the same time and in the same manner as does the tax lien securing such annual taxes. All laws applicable to the levy, collection, and enforcement of district taxes shall be applicable to such assessment, except that if any real property to which such lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attached thereon, prior to the date on which the first installment of such taxes would become delinquent, then a lien which would otherwise be imposed by this section shall not attach to such real property and the delinquent and unpaid charges relating to such property shall be transferred to the unsecured roll for collection. Any amounts of such assessments collected are to be credited to the funds of the district from which the costs of abatement were expended.

31148. (a) The owner of any real property upon which is located

a sanitary sewage, septic, or septic tank disposal system, which system is subject to abatement as a public nuisance by the district, may request the district to replace or repair, as necessary, such system. If replacement or repair is feasible, the board of directors, in its sole discretion, may provide for the necessary replacement or repair work.

(b) The person or persons employed by the board of directors to do the work shall have a lien, subject to the provisions of subdivision (b) of Section 31147, for work done and materials furnished, and the work done and materials furnished shall be deemed to have been done and furnished at the request of the owner. The district, in the discretion of the board of directors, may pay all, or any part, of the cost or price of the work done and materials furnished; and, to the extent that the district pays the cost or price of the work done and materials furnished, the district shall succeed to and have all the rights, including, but not limited to, the lien, of such person or persons employed to do the work against the real property and the owner.

(c) As an alternative power to the enforcement of the lien provided in subdivision (b), the board of directors may, by ordinance adopted by two-thirds vote of the members, fix the costs of replacement or repair; fix the times at which such costs shall become due; provide prior to the replacement or repair for the payment of the costs in installments over a period, not to exceed 15 years; establish a rate of interest, not to exceed 8 percent per annum, to be charged on the unpaid balance of the costs; and provide that the amount of the costs and the interest shall constitute a lien, subject to the provisions of subdivision (b) of Section 31147, against the respective lots or parcels upon which the work is done.

31149. Any violation of a regulation of the district adopted pursuant to Section 31145 is a misdemeanor punishable by a fine not to exceed five hundred dollars ($500), or imprisonment not to exceed 60 days, or by both such fine and imprisonment. Each day of such a violation shall constitute a separate offense. Any violation or threatened violation of a regulation of the district may also be enjoined by civil suit.

SEC. 2. The Legislature hereby finds and declares that a unique situation exists within the Stinson Beach County Water District because of a large transient population, extensive use of private septic systems, land topography and population density that create special problems for sewage treatment and disposal, remoteness to other urbanized areas in the county, an immediate need to meet water quality control laws and the health and safety requirements of the district inhabitants, and the existence of a public agency capable of performing such needed public service without the need for proliferation of new agencies, with their attendant costs, for such public service. The Legislature further finds and declares that a general act cannot be made applicable to this unique situation and that it is, therefore, necessary to enact this special act relating to the

Stinson Beach County Water District.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities which, in the aggregate, do not result in significant, identifiable cost changes.

CHAPTER 926

An act to add Section 13401.5 to the Education Code, relating to school employees.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 13401.5 is added to the Education Code, to read:

13401.5. (a) The governing board of a school district may award consultancy contracts to retired certificated employees of the school district who have been employed by the school district for at least 10 years and who are at least 55 years of age.

(b) The governing board of a school district may enter into a contract with a retired certificated employee who has been employed by the school district at least 10 years and who is at least 55 years of age whereby the retired employee is granted a consultancy contract with the school district, which contract is renewable on an annual basis for up to five years or until the retired employee reaches age 65, whichever comes first.

CHAPTER 927

An act to amend Section 10242 of the Business and Professions Code, relating to real property loans.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 10242 of the Business and Professions Code is amended to read:

10242. The maximum amount of expenses, charges and interest

to be paid by a borrower with respect to any loan subject to the provisions of this article shall be as follows:

(a) The maximum amount of all costs and expenses referred to in subdivision (a) of Section 10241 shall not exceed four percent (4%) of the principal amount of the loan or one hundred sixty-five dollars ($165), whichever is greater but in no event to exceed two hundred ninety-five dollars ($295), provided that in no event shall said maximum amount exceed actual costs and expenses paid, incurred or reasonably earned.

(b) The maximum amount of the charges referred to in subdivision (b) of Section 10241 shall not exceed the following amounts:

(1) In the case of a loan secured directly or collaterally, in whole or in part by a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than three (3) years and ten percent (10%) where the term is a period of three (3) years or more.

(2) In the case of a loan secured directly or collaterally by a trust deed other than a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than two (2) years, ten percent (10%) where the term is a period of two (2) years but less than three (3) years, and fifteen percent (15%) where the term is a period of three (3) years or more.

(3) With respect to a further advance on a note, the charges shall not exceed the charges for an original loan in the same amount as the further advance and made for a term equal to the remaining term of the note on which the further advance is being made, including any extension thereof.

(c) No loan secured directly or collaterally by a lien on real property shall be made which provides for payment of interest in excess of that permitted by Section 1 of Article XV of the California Constitution adopted June 8, 1976, as amended, and as implemented by the Statutes of 1919, page LXXXIII, known as the "Usury Law" (an initiative measure approved by electors on November 5, 1918).

(d) No interest may be charged with respect to any period prior to the date that the proceeds of the loan are made available to the borrower or are deposited in escrow.

SEC. 2. Section 10242 of the Business and Professions Code is amended to read:

10242. The maximum amount of expenses, charges and interest to be paid by a borrower with respect to any loan subject to the provisions of this article shall be as follows:

(a) The maximum amount of all costs and expenses referred to in subdivision (a) of Section 10241 shall not exceed four percent (4%) of the principal amount of the loan or one hundred sixty-five dollars ($165), whichever is greater but in no event to exceed two hundred ninety-five dollars ($295), provided that in no event shall said maximum amount exceed actual costs and expenses paid, incurred or reasonably earned.

(b) The maximum amount of the charges referred to in subdivision (b) of Section 10241 shall not exceed the following amounts:

(1) In the case of a loan secured directly or collaterally, in whole or in part by a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than three (3) years and ten percent (10%) where the term is a period of three (3) years or more.

(2) In the case of a loan secured directly or collaterally by a trust deed other than a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than two (2) years, ten percent (10%) where the term is a period of two (2) years but less than three (3) years, and fifteen percent (15%) where the term is a period of three (3) years or more.

(3) With respect to a further advance on a note, the charges shall not exceed the charges for an original loan in the same amount as the further advance and made for a term equal to the remaining term of the note on which the further advance is being made, including any extension thereof.

(c) No loan secured directly or collaterally by a lien on real property shall be made which provides for payment of interest in excess of ten percent (10%) per year as provided by Section 1 of Article XV of the California Constitution adopted June 8, 1976, as amended, and as implemented by the Statutes of 1919, page LXXXIII, known as the "Usury Law" (an initiative measure approved by electors on November 5, 1918).

(d) No interest may be charged with respect to any period prior to the date that the proceeds of the loan are made available to the borrower or are deposited in escrow.

SEC. 3. Section 10242 of the Business and Professions Code is amended to read:

10242. The maximum amount of expenses, charges and interest to be paid by a borrower with respect to any loan subject to the provisions of this article shall be as follows:

(a) The maximum amount of all costs and expenses referred to in subdivision (a) of Section 10241 shall not exceed five percent (5%) of the principal amount of the loan or one hundred ninety-five dollars ($195), whichever is greater but in no event to exceed three hundred twenty-five dollars ($325), provided that in no event shall said maximum amount exceed actual costs and expenses paid, incurred or reasonably earned.

(b) The maximum amount of the charges referred to in subdivision (b) of Section 10241 shall not exceed the following amounts:

(1) In the case of a loan secured directly or collaterally, in whole or in part by a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than three (3) years and ten percent (10%) where the term is a period of three (3) years or more.

(2) In the case of a loan secured directly or collaterally by a trust deed other than a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than two (2) years, ten percent (10%) where the term is a period of two (2) years but less than three (3) years, and fifteen percent (15%) where the term is a period of three (3) years or more.

(3) With respect to a further advance on a note, the charges shall not exceed the charges for an original loan in the same amount as the further advance and made for a term equal to the remaining term of the note on which the further advance is being made, including any extension thereof.

(c) No loan secured directly or collaterally by a lien on real property shall be made which provides for payment of interest in excess of that permitted by Section 1 of Article XV of the California Constitution adopted June 8, 1976, as amended, and as implemented by the Statutes of 1919, page LXXXIII, known as the "Usury Law" (an initiative measure approved by electors on November 5, 1918).

(d) No interest may be charged with respect to any period prior to the date that the proceeds of the loan are made available to the borrower or are deposited in escrow.

SEC. 4. Section 10242 of the Business and Professions Code is amended to read:

10242. The maximum amount of expenses, charges and interest to be paid by a borrower with respect to any loan subject to the provisions of this article shall be as follows:

(a) The maximum amount of all costs and expenses referred to in subdivision (a) of Section 10241 shall not exceed five percent (5%) of the principal amount of the loan or one hundred ninety-five dollars ($195), whichever is greater but in no event to exceed three hundred twenty-five dollars ($325), provided that in no event shall said maximum amount exceed actual costs and expenses paid, incurred or reasonably earned.

(b) The maximum amount of the charges referred to in subdivision (b) of Section 10241 shall not exceed the following amounts:

(1) In the case of a loan secured directly or collaterally, in whole or in part by a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than three (3) years and ten percent (10%) where the term is a period of three (3) years or more.

(2) In the case of a loan secured directly or collaterally by a trust deed other than a first trust deed, five percent (5%) of the principal amount of the loan where the term of the loan is a period of less than two (2) years, ten percent (10%) where the term is a period of two (2) years but less than three (3) years, and fifteen percent (15%) where the term is a period of three (3) years or more.

(3) With respect to a further advance on a note, the charges shall not exceed the charges for an original loan in the same amount as the further advance and made for a term equal to the remaining term

of the note on which the further advance is being made, including any extension thereof.

(c) No loan secured directly or collaterally by a lien on real property shall be made which provides for payment of interest in excess of ten percent (10%) per year as provided by the Section 1 of Article XV of the California Constitution adopted June 8, 1976, as amended, and as implemented by the Statutes of 1919, page LXXXIII, known as the "Usury Law" (an initiative measure approved by electors on November 5, 1918).

(d) No interest may be charged with respect to any period prior to the date that the proceeds of the loan are made available to the borrower or are deposited in escrow.

SEC. 5. It is the intent of the Legislature that the amendments to Section 10242 of the Business and Professions Code, proposed by this bill shall be given effect as follows:

(1) If this bill is chaptered, but Assembly Bill No. 2159 is not chaptered, or as chaptered does not amend Section 10242 of the Business and Professions Code, and Senate Constitutional Amendment No. 40 on the November 2, 1976, ballot is not approved by the voters, Section 2 of this act shall take effect, and Sections 1, 3 and 4 of this act shall not be operative.

(2) If this bill is chaptered and becomes effective January 1, 1977, Senate Constitutional Amendment No. 40 on the November 2, 1976 ballot is approved by the voters, but Assembly Bill No. 2159 is not chaptered, or as chaptered does not amend Section 10242 of the Business and Professions Code, Section 1 of this act shall be operative, and Sections 2, 3 and 4 of this act shall not be operative.

(3) If this bill and Assembly Bill No. 2159 are both chaptered and become effective January 1, 1977, both bills amend Section 10242 of the Business and Professions Code, and Senate Constitutional Amendment No. 40 on the November 2, 1976 ballot is approved by the voters Section 3 of this act shall be operative, and Sections 1, 2 and 4 shall not be operative.

(4) If this bill and Assembly Bill No. 2159 are both chaptered and become effective January 1, 1977, both bills amend Section 10242 of the Business and Professions Code, and Senate Constitutional Amendment No. 40 on the November 2, 1976 ballot is not approved by the voters, Section 4 of this act shall be operative, and Sections 1, 2 and 3 shall not be operative.

CHAPTER 928

An act to amend Sections 66411, 66428, 66436, 66445, 66499.34, 66499.35, and 66499.36 of, and to add Sections 66411.1, 66424.1 and 66424.2 to, the Government Code, relating to subdivisions.

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[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 66411 of the Government Code is amended to read:

66411. Regulation and control of the design and improvement of subdivisions are vested in the legislative bodies of local agencies. Each local agency shall by ordinance regulate and control subdivisions for which this division requires a tentative and final or parcel map. Such ordinance shall specifically provide for proper grading and erosion control, including the prevention of sedimentation or damage to offsite property. Each local agency may by ordinance regulate and control other subdivisions, provided that such regulations are not more restrictive than the regulations for those subdivisions for which a tentative and final or parcel map are required by this division, and provided further that such regulations shall not be applied to short-term leases (terminable by either party on not more than 30 days notice in writing) of a portion of the operating right-of-way of a railroad corporation defined as such by Section 230 of the Public Utilities Code unless a showing is made in individual cases, under substantial evidence, that public policy necessitates the application of such regulations to such short-term leases in such individual cases.

SEC. 2. Section 66411.1 is added to the Government Code, to read:

66411.1. Whenever a local ordinance requires improvements for a division of land which is not a subdivision of five or more lots, such regulations shall be limited to the dedication of rights-of-way, easements, and the construction of reasonable offsite and onsite improvements for the parcels being created. Requirements for the construction of such offsite and onsite improvements shall be noticed by certificate on the parcel map, on the instrument evidencing the waiver of such parcel map, or by separate instrument and shall be recorded on, concurrently with, or prior to the parcel map or instrument of waiver of a parcel map being filed for record. The construction of such improvements shall be required prior to subsequent issuance of a permit or other grant of approval for the development of such parcel by the local agency.

Fulfillment of such construction requirements shall not be required until such time as a permit or other grant of approval for development of the parcel is issued by the local agency, except that a local agency may require fulfillment of such construction requirements within a reasonable time following approval of the parcel map and prior to the issuance of a permit or other grant of approval for the development of a parcel upon a finding by the local agency that fulfillment of the construction requirements is necessary for reasons of:

(1) The public health and safety; or

(2) The required construction is a necessary prerequisite to the orderly development of the surrounding area.

SEC. 3. Section 66424.1 is added to the Government Code, to read:

66424.1. Nothing in Section 66424 shall prevent the subdivision of a unit of land created under the provisions of this division or a local ordinance enacted pursuant thereto, even though at the time of the prospective subdivision an equalized county assessment roll has not been prepared reflecting the creation of the unit proposed to be subdivided.

SEC. 4. Section 66424.2 is added to the Government Code, to read:

66424.2. Notwithstanding Section 66424, two or more contiguous parcels or units of land which have been subdivided under the provisions of this division or any prior law regulating the division of land or a local ordinance enacted pursuant thereto shall not merge by virtue of the fact that such contiguous parcels or units are held by the same owner and no further proceeding under the provisions of this division or a local ordinance enacted pursuant thereto shall be required for the purpose of sale, lease or financing of such contiguous parcels or units, or any of them; except that, if any one of such contiguous parcels or units held by the same owner does not conform to standards for minimum parcel size to permit use or development under a zoning, subdivision or other ordinance of the local agency and at least one of such contiguous parcels or units is not developed with a building for which a permit has been issued by the local agency, then such parcels shall be merged for the purposes of this division (unless a local ordinance specifically exempts such parcels from merger in such circumstances).

Whenever a local agency has knowledge that real property has merged pursuant to this section or a local ordinance enacted pursuant to this division, it shall cause to be filed for record with the recorder of the county in which the real property is located, a notice of such merger specifying the names of the record owners and particularly describing the real property, provided that, at least 30 days prior to the recording of the notice the owner of the parcels or units to be affected by the merger, shall be advised in writing of the intention to record the notice and specifying a time, date and place at which the owner may present evidence to the legislative body or advisory agency why such notice should not be recorded.

SEC. 5. Section 66428 of the Government Code is amended to read:

66428. Local ordinances may require a tentative map where a parcel map is required by this chapter. A parcel map shall be required for subdivisions as to which a final or parcel map is not otherwise required by this chapter, unless waived by local ordinance as provided in this section, and provided further that a parcel map shall not be required for subdivisions created by short-term leases (terminable by either party on not more than 30 days' notice in

writing) of a portion of the operating right-of-way of a railroad corporation defined as such by Section 230 of the Public Utilities Code, or for land conveyed to a public agency or public utility, or to a subsidiary of a public utility for conveyance to such public utility for rights-of-way, unless a showing is made in individual cases, upon substantial evidence, that public policy necessitates such a parcel map.

A local agency shall, by ordinance, provide a procedure for waiving the requirement for a parcel map, imposed by this division. The ordinance shall require a finding by the legislative body or advisory agency, that the proposed division of land complies with such requirements as may have been established by this division or local ordinance enacted pursuant thereto as to area, improvement and design, floodwater drainage control, appropriate improved public roads, sanitary disposal facilities, water supply availability, environmental protection, and other requirements of this division or local ordinance enacted pursuant thereto. In any case, where the requirement for a parcel map is waived by local ordinance pursuant to provisions of this section, a tentative map may be required by local ordinance.

SEC. 6. Section 66436 of the Government Code is amended to read:

66436. A certificate, signed and acknowledged by all parties having any record title interest in the real property subdivided, consenting to the preparation and recordation of the final map is required, except as follows:

(a) Neither a lien for state, county, municipal or local taxes, nor for special assessments, nor a trust interest under bond indentures, nor mechanics' liens constitute a record title interest in land for the purpose of this chapter or local ordinance.

(b) The signature of either the holder of beneficial interests under trust deeds or the trustee under such trust deeds, but not both, may be omitted. The signature of either shall constitute a full and complete subordination of the lien of the deed of trust to the map and any interest created by the map.

(c) Signatures of parties owning the following types of interests may be omitted if their names and the nature of their respective interests are stated on the final map:

(1) Rights-of-way, easements or other interests which cannot ripen into a fee, except those owned by a public entity or public utility. If, however, the legislative body determines that division and development of the property in the manner set forth on the final map will not unreasonably interfere with the free and complete exercise of the public entity or public utility right-of-way or easement, the signature of such public entity or public utility may be omitted.

Where such determination is made the subdivider shall send, by certified mail, a sketch of the proposed final map, together with a copy of this section, to any public entity or public utility which has

previously acquired a right-of-way or easement.

If the public entity or utility objects to either (1) recording the final map without its signature; or (2) the determination of the legislative body that the division and development of the property will not unreasonably interfere with the full and complete exercise of right-of-way or easement it shall so notify the subdivision and the legislative body within 30 days after receipt of the materials from the subdivider.

If the public entity or utility objects to recording the final map without its signature, the public entity or utility so objecting may affix its signature to the final map within 30 days of filing its objection with the legislative body.

If the public entity or utility either (1) does not file an objection with the legislative body; or (2) fails to affix its signature within 30 days of filing its objection, to recording the map without its signature, the local agency may record the final map without such signature.

If the public entity or utility files an objection to the determination of the legislative body that the division and development of the property will not unreasonably interfere with the exercise of its right-of-way or easement, the legislative body shall set the matter for public hearing to be held not less than 10 nor more than 30 days of receipt of the objection. At such hearing, the public entity or public utility shall present evidence in support of its position that the division and development of the property will unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement.

If the legislative body finds, following such hearing, that the development and division will in fact unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement, it shall set forth those conditions whereby such unreasonable interference will be eliminated and upon compliance with such conditions by the subdivider, the final map may be recorded with or without the signature of the objector. If the legislative body finds that the development and division will in fact not unreasonably interfere with the free and complete exercise of the objector's right-of-way or easement, the final map may be recorded without the signature of the objector, notwithstanding its objections thereto.

Failure of the public entity or public utility to file on objection pursuant to this section shall in no way affect its rights under a right-of-way or easement.

(2) Rights-of-way, easements or reversions, which by reason of changed conditions, long disuse or laches appear to be no longer of practical use or value and signatures are impossible or impractical to obtain. A statement of the circumstances preventing the procurement of the signatures shall also be stated on the map.

(3) Interests in or rights to minerals, including but not limited to oil, gas or other hydrocarbon substances.

(d) Real property originally patented by the United States or by

the State of California, which original patent reserved interest to either or both of such entities, may be included in the final map without the consent of the United States or the State of California thereto or to dedications made thereon.

SEC. 7. Section 66445 of the Government Code is amended to read:

66445. The parcel map shall be prepared by or under the direction of a registered civil engineer or licensed land surveyor, shall show the location of streets and property lines bounding the property and shall conform to all of the following provisions:

(a) It shall be legibly drawn, printed or reproduced by a process guaranteeing a permanent record in black on tracing cloth or polyester base film. Certificates may be legibly stamped or printed upon the map with opaque ink. If ink is used on polyester base film, the ink surface shall be coated with a suitable substance to assure permanent legibility.

(b) The size of each sheet shall be 18 x 26 inches. A marginal line shall be drawn completely around each sheet, leaving an entirely blank margin of one inch. The scale of the map shall be large enough to show all details clearly and enough sheets shall be used to accomplish this end. The particular number of the sheet and the total number of sheets comprising the map shall be stated on each of the sheets, and its relation to each adjoining sheet shall be clearly shown.

(c) Each parcel shall be numbered or otherwise designated.

(d) The exterior boundary of the land included within the subdivision shall be indicated by distinctive symbols and clearly so designated.

(e) The map shall show the location of each parcel and its relation to surrounding surveys. The location of any remainder of the original parcel shall be shown, but need not be shown as a matter of survey but only by reference to the existing record boundaries of such remainder if such remainder has a gross area of five acres or more.

(f) Subject to the provisions of Section 66436, a certificate, signed and acknowledged by all parties having any record title interest in the real property subdivided, consenting to the preparation and recordation of the parcel map is required, except as otherwise provided by local ordinance.

However, with respect to a division of land into four or fewer parcels, where dedications or offers of dedications are not required, the certificate shall be signed and acknowledged by the subdivider only.

(g) It shall also satisfy any additional map requirements of local ordinances consistent with this division.

SEC. 7.5. Section 66445 of the Government Code is amended to read:

66445. The parcel map shall be prepared by or under the direction of a registered civil engineer or licensed land surveyor, shall show the location of streets and property lines bounding the property and shall conform to all of the following provisions:

(a) It shall be legibly drawn, printed or reproduced by a process guaranteeing a permanent record in black on tracing cloth or polyester base film. Certificates may be legibly stamped or printed upon the map with opaque ink. If ink is used on polyester base film, the ink surface shall be coated with a suitable substance to assure permanent legibility.

(b) The size of each sheet shall be 18 x 26 inches. A marginal line shall be drawn completely around each sheet, leaving an entirely blank margin of one inch. The scale of the map shall be large enough to show all details clearly and enough sheets shall be used to accomplish this end. The particular number of the sheet and the total number of sheets comprising the map shall be stated on each of the sheets, and its relation to each adjoining sheet shall be clearly shown.

(c) Each parcel shall be numbered or otherwise designated.

(d) The exterior boundary of the land included within the subdivision shall be indicated by distinctive symbols and clearly so designated.

(e) The map shall show the location of each parcel and its relation to surrounding surveys. The location of any remainder of the original parcel shall be indicated, but need not be indicated as a matter of survey but only by deed reference to the existing record boundaries of such remainder if such remainder has a gross area of five acres or more.

(f) Subject to the provisions of Section 66436, a certificate, signed and acknowledged by all parties having any record title interest in the real property subdivided, consenting to the preparation and recordation of the parcel map is required, except that less inclusive requirements may be provided by local ordinance.

However, with respect to a division of land into four or fewer parcels, where dedications or offers of dedications are not required, the certificate shall be signed and acknowledged by the subdivider only.

(g) It shall also satisfy any additional map requirements of local ordinances consistent with this division.

SEC. 8. Section 66499.34 of the Government Code is amended to read:

66499.34. No local agency shall issue any permit or grant any approval necessary to develop any real property which has been divided, or which has resulted from a division, in violation of the provisions of this division or of the provisions of local ordinances enacted pursuant to this division if it finds that development of such real property is contrary to the public health or the public safety. The authority to deny such a permit or such approval shall apply whether the applicant therefor was the owner of the real property at the time of such violation or whether the applicant therefor is the current owner of the real property with, or without, actual or constructive knowledge of the violation at the time of the acquisition of his interest in such real property.

If a city or a county issues a permit or grants approval for the

development of any such real property, it may impose those conditions that would have been applicable to the division of the property at the time the current owner of record acquired the property, and which had been established at such time by this division or local ordinance enacted pursuant thereto, except that if a conditional certificate of compliance has been filed for record under the provisions of subdivision (b) of Section 66499.35 only such conditions stipulated in that certificate shall be applicable.

SEC. 9. Section 66499.35 of the Government Code is amended to read:

66499.35. (a) Any person owning real property may request, and a local agency shall determine, whether such real property complies with the provisions of this division and of local ordinances enacted pursuant thereto. Upon making such a determination the city or the county shall cause a certificate of compliance to be filed for record with the recorder of the county in which the real property is located. The certificate of compliance shall identify the real property and shall state that the division thereof complies with applicable provisions of this division and of local ordinances enacted pursuant thereto. The local agency may impose a reasonable fee to cover the cost of issuing and recording the certificate of compliance.

(b) If a local agency determines that such real property does not comply with the provisions of this division or of local ordinances enacted pursuant thereto, it may, as a condition to granting a certificate of compliance, impose such conditions as would have been applicable to the division of the property at the time the current owner of record acquired the property, and which had been established at such time by this division or local ordinance enacted pursuant thereto. Upon making such a determination and establishing such conditions the city or county shall cause a conditional certificate of compliance to be filed for record with the recorder of the county in which the real property is located. Such certificate shall serve as notice to the property owner who has applied for the certificate pursuant to this section, a grantee of the property owner, or any subsequent transferee or assignee of the property that the fulfillment and implementation of such conditions shall be required prior to subsequent issuance of a permit or other grant of approval for development of the property.

Compliance with such conditions shall not be required until such time as a permit or other grant of approval for development of such property is issued by the local agency.

(c) A certificate of compliance shall be issued for any real property which has been approved for development pursuant to Section 66499.34.

(d) A recorded final map or parcel map shall constitute a certificate of compliance with respect to the parcels of real property described therein.

SEC. 10. Section 66499.36 of the Government Code is amended to read:

66499.36. Whenever a local agency has knowledge that real property has been divided in violation of the provisions of this division or of local ordinances enacted pursuant to this division, it shall cause to be filed for record with the recorder of the county in which the real property is located, a tentative notice of violation, describing the real property in detail, naming the owners thereof, and describing the violation, and stating that an opportunity will be given to the owner to present evidence. At least 30 days prior to the recording of a final notice the owner of the real property shall be advised in writing of the intention to record a final notice and specifying a time, date and place at which the owner may present evidence to the legislative body or advisory agency why such notice should not be recorded. If, after the owner has presented evidence, it is determined that there has been no violation, the local agency shall file a release of the tentative notice with the county recorder. Such tentative or final notice, when recorded, shall be deemed to be constructive notice of the violation to all successors in interest in such property. The county recorder shall index the names of the fee owners in the general index.

SEC. 10.5. It is the intent of the Legislature, if this bill and Senate Bill No. 1806 are both chaptered and become effective January 1, 1977, both bills amend Section 66445 of the Government Code, and this bill is chaptered after Senate Bill No. 1806, that the amendments to Section 66445 proposed by both bills be given effect and incorporated in Section 66445 in the form set forth in Section 7.5 of this act. Therefore, Section 7.5 of this act shall become operative only if this bill and Senate Bill No. 1806 are both chaptered and become effective January 1, 1977, both amend Section 66445, and this bill is chaptered after Senate Bill No. 1806, in which case Section 7 of this act shall not become operative.

SEC. 11. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because the duties, obligations or responsibilities imposed on local government by this act are minor in nature and will not cause any financial burden to local government.

CHAPTER 929

An act to amend Section 17262 of the Education Code, to amend Sections 24355.2 and 29100.5 of the Government Code, and to amend Section 5391 of the Revenue and Taxation Code, relating to fiscal procedures.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 17262 of the Education Code is amended to read:

17262. Any state department, board, or agency which allocates funds to any school district on the basis of the assessed valuation of property within the district, or which makes any computation on this basis for school building fund repayment purposes, shall average the factor certified for the current year under Section 17261 for the local roll of the county in which the district is located with the factors so certified for the two immediately preceding years; provided, that, in the event that an assessment ratio announced by a county assessor for the 1970–71 tax year is less than 25 percent, the factor for such county for such year shall be multiplied by a fraction in which the announced ratio is the numerator and 25 percent is the denominator, before averaging the factor of that county for 1970–71 with the 1971–72 and 1972–73 factors. The department, board, or agency shall then modify that part of the valuation of the district shown on the local roll by application of this three-year-average factor carried to three decimal places. If a district is located in more than one county, this modification shall be made by applying the average factor appropriate for the assessed value of the property upon the local roll of each county within which the district is located. If the factor for the current year is not provided to the county superintendent of schools by the fifth working day in August, the preliminary factor may be used in its place for determining the average factor to be used to modify the locally assessed valuation of a school district for allocating equalization aid, and for computing loan repayments to the state.

SEC. 2. Section 24355.2 of the Government Code is amended to read:

24355.2. In counties using a mechanized management reporting system in reporting information for a uniform four-week period, the board of supervisors by ordinance may provide for the totaling of fees as required by Section 24352, for the payment of moneys collected by each officer of a county or judicial district and the filing of a cash statement as required by Section 24353, and for the taking and subscribing of the affidavit required by either Section 24354 or Section 24355 on a corresponding uniform four-week period.

SEC. 3. Section 29100.5 of the Government Code is amended to read:

29100.5. At the time the rate of tax is fixed, counties, cities, school districts and special districts shall not take into account the exemption provided for in Section 219 of the Revenue and Taxation Code, whether such property appears on the secured or unsecured roll. On or before September 15th of each year, the auditor shall compute for each city, district and revenue district wholly or partially within the county which levies taxes on property, the amount of revenue lost by reason of the partial exemption of business inventories based on the assessed value of the exempt property reported by the county assessor pursuant to Section 219 and the tax

rate applicable to such property attributable to the city, district and revenue district for the fiscal year. The auditor shall compute for each city and school district the amount of revenue lost by reason of the partial exemption from the tax imposed on livestock under Section 5523 of the Revenue and Taxation Code.

The auditor shall allocate to each such city, district and revenue district funds received from the Controller for their losses under Section 16115 within 10 days of the receipt of such funds.

SEC. 4. Section 5391 of the Revenue and Taxation Code is amended to read:

5391. On or before the time of levying county property taxes each year, the board of supervisors of each county shall fix the rate of tax for aircraft, and shall levy the tax on aircraft. The rate shall be equal to one and one-half percent (1.5%) of the market value of the aircraft as determined pursuant to this part. If the board of supervisors of any county for any reason fails to fix the rate of tax for aircraft, the rate of tax for aircraft shall be conclusively presumed to be one and one-half percent (1.5%) of the market value of the aircraft as determined pursuant to this part.

CHAPTER 930

An act to amend Sections 2784, 2785, 2786, 2787, and 2788 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 2784 of the Public Utilities Code is amended to read:

2784. A customer of a participating electrical or gas corporation who is the owner or mortgagor of real property or tenant of such property with a written consent of the owner may apply to the corporation for home insulation assistance and financing. To qualify for financing, such customer must meet the credit criteria as may reasonably be established by the corporation as approved by the commission.

SEC. 2. Section 2785 of the Public Utilities Code is amended to read:

2785. Upon approval of an application, the corporation shall arrange for a licensed contractor to perform the necessary work. Upon approval of an estimate by the customer and the corporation, the corporation shall direct the work to commence. All attic insulation installations shall meet or exceed requirements applicable at the time of installation or as may be established for existing residential structures, except where such compliance is impossible or

impractical in an existing structure and an alternative method or procedure providing satisfactory results is available. The corporation shall arrange for inspection of a representative portion of the work performed pursuant to this chapter. As used in this section, the term "attic" means any air spaces between the ceiling and roof of a residential dwelling which are accessible for the purpose of the installation of insulation.

SEC. 3. Section 2786 of the Public Utilities Code is amended to read:

2786. An electrical or gas corporation shall provide for payment by a customer for whom home insulation has been installed pursuant to this chapter through such periodic billing procedures as may be established by the corporation. The corporation may require an initial payment toward the insulation services of not greater than 20 percent with the balance due payable in equal installments during a period of 36 months following completion of the work, or at such greater rate of repayment as the customer may elect. Finance charges shall not be greater than the maximum allowable finance charges permitted for retail installment contracts. Acceptable credit cards may be utilized in lieu of these financial arrangements.

SEC. 4. Section 2787 of the Public Utilities Code is amended to read:

2787. As an alternative to the provisions of Section 2786, an electrical or gas corporation may conclude financial arrangements with one or more lending institutions in this state engaged in making home improvement loans to provide loans to customers for purposes of home insulation pursuant to this chapter. The corporation may provide for payment of the loan balance by the customer through the corporation's regular bill for public utility services. Any such financial arrangement shall include all of the following provisions:

(a) The amount financed shall be payable in equal installments during a period of 36 months following completion of the work, or at such greater rate of repayment as the customer may elect.

(b) Provision that the corporation shall not be liable to the lending institution in the event of the customer's default.

(c) Provision that approval of the customer's credit shall be at the option of the lending institution.

Notwithstanding any language contained in this section, acceptable credit cards may be utilized in lieu of the above provisions.

SEC. 5. Section 2788 of the Public Utilities Code is amended to read:

2788. The commission shall allow for purposes of setting the rates of any electrical or gas corporation participating in a home insulation assistance and financing program all expenses which the commission finds are reasonably related to the implementation and administration of the program, including commercial advertising. The commission may disapprove any such advertising or promotion which the commission finds is not reasonably designed to promote

the success of the home insulation financial assistance program.

CHAPTER 931

An act to amend Section 2104 of the Streets and Highways Code, relating to county highways.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 2104 of the Streets and Highways Code is amended to read:

2104. A sum equal to the net revenue derived from 1.625 cents ($0.01625) per gallon tax under the Motor Vehicle Fuel License Tax Law shall be apportioned among the counties, as follows:

(a) Each county shall be paid one thousand six hundred sixty-seven dollars ($1,667) during each calendar month, which amount shall be expended exclusively for engineering costs and administrative expenses in respect to county roads.

(b) A sum equal to the total of all reimbursable snow removal costs filed pursuant to subdivision (d) of Section 2152, or one million five hundred thousand dollars ($1,500,000), whichever is less, shall be apportioned in 12 approximately equal monthly apportionments for snow removal on county roads as provided in Section 2110.

(c) A sum equal to five hundred thousand dollars ($500,000) shall be apportioned in 12 approximately equal monthly apportionments, as provided in Section 2110.5.

(d) Seventy-five percent of the funds payable under this section shall be apportioned among the several counties monthly in the respective proportions that the number of fee-paid and exempt vehicles which are registered in each county bears to the total number of fee-paid and exempt vehicles registered in the state.

For purposes of apportionment under this subdivision, the Department of Motor Vehicles shall, as soon as possible after the last Friday of each calendar month, furnish to the State Controller a verified statement showing the number of fee-paid and exempt vehicles which are registered in each county and in the state as of the last Friday of each calendar month as reflected by the records of the Department of Motor Vehicles.

(e) Of the remaining moneys payable, there shall be paid to each eligible county an amount monthly computed, as follows: The number of miles of maintained county road in each county shall be multiplied by forty-two dollars ($42); from the resultant amount there shall be deducted the amount received by each county under subdivision (d) and the remainder, if any, shall be paid to each county.

(f) The remaining moneys payable, after the foregoing apportionments, shall be apportioned among the several counties in the same proportion as the moneys referred to in subdivision (d).

CHAPTER 932

An act to amend Sections 2, 2.2, and 2.6 of, to add Section 3.2 to, to repeal and add Section 2.5 of, and to repeal Section 2.7 of, the Orange County Flood Control Act (Chapter 723 of the Statutes of 1927), relating to the Orange County Flood Control District.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2 of the Orange County Flood Control Act (Chapter 723 of the Statutes of 1927) is amended to read:

Sec. 2. The objects and purposes of this act are to provide for the control of the flood and storm waters of said district, and the flood and storm waters of streams that have their source outside of said district, but which streams and the flood waters thereof, flow into said district, and to conserve such waters for beneficial and useful purposes by spreading, storing, retaining and causing to percolate into the soil within said district, or without such district, such waters, or to save or conserve in any manner all or any of such waters and protect from damage from such flood or storm waters, the harbors, waterways, public highways and property in said district.

Said Orange County Flood Control District is hereby declared to be a body corporate and politic and as such shall have power:

1. To have perpetual succession.

2. To sue and be sued in the name of said district in all actions and proceedings in all courts and tribunals of competent jurisdiction.

3. To adopt a seal and alter it at pleasure.

4. To take by grant, purchase, gift, devise or lease, and to hold, use, enjoy, and to sell, lease, exchange, or dispose of real or personal property of every kind, within or without the district, necessary to the full exercise of its powers.

5. To acquire or contract to acquire lands, rights-of-way, easements, privileges and property of every kind, and to construct, maintain and operate any and all works or improvements within or without the district necessary or proper to carry out any of the objects or purposes of this act, and to complete, extend, add to, repair or otherwise improve any works or improvements acquired by it as herein authorized.

6. To exercise the right of eminent domain, either within or without said district, to take any property necessary to carry out any of the objects or purposes of this act.

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7. To incur indebtedness, and to issue bonds in the manner herein provided.

8. To cause taxes to be levied and collected for the purpose of paying any obligation of the district in the manner hereinafter provided.

9. To make contracts, and to employ labor, and to do all acts necessary for the full exercise of all powers vested in said district, or any of the officers thereof, by this act.

10. To grant or otherwise convey to counties, cities and counties, cities or towns, easements for street and highway purposes, over, along, upon, in, through, across or under any real property owned by said Orange County Flood Control District.

11. To remove, carry away and dispose of any rubbish, trash, debris or other inconvenient matter that may be dislodged, transported, conveyed or carried by means of, through, in, or along the works and structures operated or maintained hereunder and deposited upon the property of said district or elsewhere.

12. To lease, sell or dispose of any property (or any interest therein) whenever in the judgment of said board of supervisors said property, or any interest therein or part thereof, is no longer required for the purposes of said district, or may be leased, or included in community leases embracing adjoining lands, for any purpose (including leases for mining or extracting oil, gas, hydrocarbon substances or other minerals) without interfering with the use of the same for the purposes of said district, and whenever it appears that wells drilled upon private lands are draining or may drain oil, gas or other hydrocarbon substances from lands owned by the district and operations for the production of oil, gas or other hydrocarbons on such land owned by the district might interfere with the use of such land for the purposes of said district, to enter into agreements with the owners or operators of such wells for the payment of compensation to the district for such drainage in lieu of drilling offset wells upon such land owned by the district, and to pay any compensation received therefor into the general fund of said district and use the same for the purposes of this act; provided, however, that nothing herein shall authorize the board of supervisors, or other governing body of the district, or any officer thereof, to sell, lease or otherwise dispose of any water, water right, reservoir space or storage capacity, or any interest or space therein, except as hereinafter provided by Section 17 of this act; provided, however, that the district may grant to the United States of America, or any agency thereof authorized to accept and pay for such land, such parcels of land as lie within any channel, dam, or reservoir site, improved or constructed, in whole or in part, with federal funds, upon the payment to the district of the actual cost thereof as determined by the board of supervisors of the district. The district, by and through its board of supervisors, is hereby authorized to warrant and guarantee the title of all lands so transferred to the United States under the provisions of this section.

13. To monitor, test, or inspect drainage, flood, storm, or other waters within the district for the purpose of recording, determining, and reporting the quality of such waters to appropriate regional water quality control boards.

14. To assist the County of Orange and any city within the county in emergency operations to control or mitigate the effect of tides, waves, and ocean currents on the Orange County shoreline.

15. To carry on technical and other investigations, examinations, or tests of all kinds, make measurements, collect data and make analyses, studies, and inspections pertaining to water supply, control of floods, use of water, water quality, nuisance, pollution, waste, and contamination of water, both within and without the district.

16. To regulate, prohibit, or control the discharge of pollutants, waste, or any other material into the district's facilities by requiring dischargers to obtain a permit from the district prior to any such discharge and by prohibiting the discharge of pollutants or other material which does or may cause a nuisance into the district's facilities without a permit first having been obtained from the district, provided that, if a federal permit has been issued for the discharge, a permit may be issued by the district at no fee to the discharger; except as provided herein, to require a fee to be collected prior to the issuance of the discharge permit, provided that the amount of the fee shall not exceed the cost of issuing the permit; to require all permitholders to indemnify the district from any and all damages, penalties, or other expenses imposed on or required of the district by state or federal agencies due to any discharge by such permitholders into the district facilities.

17. To establish compliance with any federal, state, or local law, order, regulation, or rule relating to water pollution or the discharge of pollutants, waste, or any other material into the district's facilities. For such purpose, any authorized representative of the district, upon presentation of his credentials or, if necessary under the circumstances, after obtaining an inspection warrant pursuant to Title 13 (commencing with Section 1822.50), Part 3 of the Code of Civil Procedure, shall have the right of entry to any premises on which a water pollution, waste, or contamination source is located for the purpose of inspecting such source, including securing samples of discharges therefrom, or any records required to be maintained in connection therewith by federal, state, or local law, order, regulation or rule.

SEC. 2. Section 2.2 of the Orange County Flood Control Act (Chapter 723 of the Statutes of 1927) is amended to read:

Sec. 2.2. In addition to its other powers, the district shall have the power to increase, to improve the quality of, and to prevent the waste or diminution of the water supply in, or unlawful exportation of water from, the district; to obtain, retain, conserve, treat by physical, chemical, or biological processes, or otherwise reclaim drainage, storm, flood and other water, within or outside of the district, for beneficial use within the district or for storage, discharge,

or disposal in accordance with legally established water quality specifications; and to appropriate and acquire water and water rights, and import water into the district; to purchase water within or outside of the district for beneficial use within the district and, whenever the board of supervisors shall find it to be in the best interests of the district so to do, to sell such water for agricultural, domestic or other beneficial purposes within the district upon such terms and conditions as may be prescribed by the board of supervisors.

SEC. 3. Section 2.5 of the Orange County Flood Control Act (Chapter 723 of the Statutes of 1927) is repealed.

SEC. 4. Section 2.5 is added to the Orange County Flood Control Act (Chapter 723 of the Statutes of 1927), to read:

Sec. 2.5. In addition to its other powers, the district shall have the power, after holding a public hearing on reasonable notice thereof, to adopt and enforce regulations within the incorporated and unincorporated areas of the district to control and enhance the quality of waters, to eliminate the pollution, waste, and contamination of waters flowing into, through, from, or originating within watercourses and impoundments, both natural and artificial, within the district, to prevent contamination, nuisance, pollution, or otherwise rendering unfit for beneficial use the surface or subsurface water used or useful in the district, and to expend such amounts as are necessary to exercise such powers from the funds of the district.

Violation of any of the provisions of a district regulation adopted pursuant to this section may be abated as a public nuisance by the district, and the board of supervisors may by regulation establish a procedure for the abatement of such a nuisance and to assess the cost of such abatement to the violator. If the violator maintains the nuisance upon real property in which he has a fee title interest, the assessment shall be a charge upon such real property. The assessment shall be collected at the same time and in the same manner as ordinary district taxes are collected pursuant to Sections 10 and 11 of this act, and shall be subject to the same penalties and the same procedure for sale in case of delinquency as provided for ordinary district taxes. All laws applicable to the levy, collection, and enforcement of county ad valorem taxes shall be applicable to such assessment, except that if any real property to which such lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attached thereon, prior to the date on which the first installment of such taxes would become delinquent, then the lien which would otherwise be imposed by this section shall not attach to such real property and the delinquent and unpaid charges relating to such property shall be transferred to the unsecured roll for collection. Any amounts of such assessments collected are to be credited to the funds of the district from which the costs of abatement were expended.

SEC. 5. Section 2.6 of the Orange County Flood Control Act

(Chapter 723 of the Statutes of 1927) is amended to read:

Sec. 2.6. (a) Whenever the board of supervisors of the district determines that it is for the best interests of the district to lease any district lands for the production of oil, gas, or other hydrocarbons, the board of supervisors shall prepare a form of lease therefor and may proceed to lease the same as provided in this section.

(b) When the form of lease has been prepared by the board of supervisors of the district the board shall give notice of intention to lease such lands. The notice shall be published once a week for two successive weeks in a daily or weekly newspaper of general circulation in the county in which such lands or the greater portion thereof are situated, and shall state the time (which shall not be less than 14 days after the last date of publication of the notice) and place for receiving and opening bids, a description of the lands, either as a tract or by parcels, and that the form of lease for the purpose of bidding may be procured at the designated office of the district.

(c) At the time and place specified in the notice, the board of supervisors of the district shall publicly open the sealed bids and shall award the lease for each parcel to the highest qualified bidder, unless in the opinion of the board of supervisors of the district, the acceptance of the highest bid for any parcel or parcels is not for the best interests of the district, in which event the board may reject the bids for such parcel or parcels. Thereupon new bids may be called for and the parcel or parcels for which the bids were rejected may be leased as herein provided.

SEC. 6. Section 2.7 of the Orange County Flood Control Act (Chapter 723 of the Statutes of 1927) is repealed.

SEC. 7. Section 3.2 is added to the Orange County Flood Control Act (Chapter 723 of the Statutes of 1927), to read:

Sec. 3.2. Any violation of an ordinance or regulation adopted pursuant to this act is a misdemeanor punishable by a fine not to exceed five hundred dollars ($500), or imprisonment not to exceed 60 days, or by both such fine and imprisonment. Any violation or threatened violation of an ordinance or regulation of the district may also be enjoined by civil suit. Each day of such violation shall be considered a separate offense.

SEC. 8. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act is in accordance with the request of a local government entity or entities which desired legislative authority to act to carry out the program specified in this act.

CHAPTER 933

An act to add Chapter 21 (commencing with Section 3700) to Division 1 of the Financial Code, relating to bank holding companies.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 21 (commencing with Section 3700) is added to Division 1 of the Financial Code, to read:

CHAPTER 21. BANK HOLDING COMPANIES

3700. "Bank holding company" means:

(a) Any person or company which:

(1) Directly or indirectly owns, controls, or holds with power to vote, 10 percent or more of the outstanding guaranteed stock of any domestic bank, or 10 percent or more of the outstanding guaranteed stock of any domestic bank together with 10 percent or more of the shares or proxy of shares of any national bank located in California;

(2) Controls in any manner whether by the holding of proxy, or otherwise, the election of a majority of the directors of any domestic bank, or of both any domestic bank and any national bank located in California; or

(3) The superintendent determines, after reasonable notice and opportunity for hearing, directly or indirectly exercises, or has power to exercise, a controlling influence over the management and policies of any domestic bank, or of both any domestic bank and any national bank located in California.

(b) Any company which controls in any manner any company which is or becomes a bank holding company by virtue of this chapter.

(c) Bank holding company does not include a title insurance company authorized to transact a trust business under the provisions of Article 4 (commencing with Section 12390) of Chapter 1, Part 6, of Division 2 of the Insurance Code, or a trust company controlled by or under common control with a title insurance company.

3701. "Company" means any domestic or foreign corporation, voting trust, business trust, limited partnership, partnership fund, joint stock company, association, syndicate, organized group of persons, or similar organization or group, whether incorporated or not.

3702. "Subsidiaries", with respect to a specified bank holding company, means:

(1) Any company 10 percent or more of whose voting securities are directly or indirectly owned or controlled by such bank holding company;

(2) Any company a majority of whose directors are controlled in any manner by such holding company;

(3) Any company 10 percent or more of whose voting securities are held by trustees or nontrustees for the benefit of the stockholders, shareholders, or members of such holding company; or

(4) Any company 10 percent or more of the legal or beneficial ownership of which is directly or indirectly owned or controlled by such holding company.

3703. The superintendent may from time to time require, under oath or otherwise, reports from any bank holding company and its subsidiaries in such form and as to such matters as the superintendent may deem necessary and appropriate, and which are relevant to the jurisdiction and responsibilities of the superintendent under this division.

3704. Each bank holding company and its subsidiaries shall be subject to examination by the superintendent. The superintendent may use, for this purpose, his own examiners or independent public accountants who are disinterested persons. In lieu of making an examination, the superintendent may accept the examination of any holding company made by any federal agency or any other agency of this state and may examine any such holding company in conjunction with these agencies.

3705. With respect to a title insurance company authorized to transact a trust business under the provisions of Article 4 (commencing with Section 12390) of Chapter 1, Part 6, of Division 2 of the Insurance Code or a trust company controlled by or under common control with a title insurance company, the Superintendent of Banks in cooperation with the Insurance Commissioner shall adopt reasonable rules and regulations for the conduct of the inspection and examination authorized by Sections 3702 and 3704. Any such examination or inspection shall be conducted pursuant to the provisions of Article 4.7 (commencing with Section 1215) of Chapter 2, Part 2, of Division 1 of the Insurance Code.

3706. Nothing in this chapter shall be construed to authorize the superintendent to require reports from a national bank or to examine a national bank contrary to federal law.

CHAPTER 934

An act to amend Sections 11703.3, 11704.5, 11725, 11806, 11810, and 11903 of, and to add Section 11509.5 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11509.5 is added to the Vehicle Code, to read:

11509.5. A person whose automobile dismantler's license has been revoked or whose application for a license has been denied may reapply for such license after a period of not less than one year has elapsed from the effective date of the decision revoking the license or denying the application; provided, however, that if such decision was based upon paragraph (3), (10), or (11) of subdivision (a) of Section 11509, or Section 11513, an earlier reapplication may be made accompanied by evidence satisfactory to the department that such grounds no longer exist.

SEC. 2. Section 11703.3 of the Vehicle Code is amended to read:

11703.3. A person whose license has been revoked or whose application for a license has been denied may reapply for a license after a period of not less than one year has elapsed from the effective date of the decision revoking the license or denying the application; except that if the decision was entered under the authority of subdivision (a), (b), (c), or (g) of Section 11703, or 11703.2, or paragraph (6) of subdivision (a) of Section 11705, a reapplication accompanied by evidence satisfactory to the department that such grounds no longer exist may be made earlier than such one-year period.

SEC. 2.5. Section 11704.5 of the Vehicle Code is amended to read:

11704.5. (a) Except as otherwise provided in this section, every applicant for a mobilehome dealer's or salesman's license, and every vehicle salesman who commences working for a mobilehome dealer, shall, commencing July 1, 1976, be required to take, and successfully complete, a written examination, prepared and administered by the department. Such examination shall include, but not be limited to, subjects relating to mobilehomes, laws relating to contracts for the sale of vehicles, laws covering truth in lending, and departmental and warranty requirements.

(b) No person who, on July 1, 1976, held a then valid salesman's license and who has continuously for the same employer been a salesman of mobilehomes shall be required to take the examination specified in subdivision (a).

(c) No person who, on July 1, 1976, held a then valid dealer's license and who has continuously without lapse been a mobilehome dealer shall be required to take the examination specified in subdivision (a), regardless of whether such person subsequently makes an application to do business under a different name or form of business organization, except that a salesman of mobilehomes who makes an application for a mobilehome dealer's license shall be required to take, and successfully complete, the examination specified in subdivision (a).

(d) If the applicant for a mobilehome dealer's license is a corporation, only those persons who will participate in the direction, control, or management, or any combination thereof, of the sales

operations of the business, or who act in the capacity of vehicle salesmen, shall be required to take and successfully complete the examination specified in subdivision (a), except that if no officer or director of the corporation participates in the direction, control, or management, or any combination thereof, of the sales operations of the business, or acts in the capacity of a vehicle salesman, the corporation shall designate and maintain a responsible managing employee who is a licensed vehicle salesman and who shall be required to take, and successfully complete, the examination specified in subdivision (a) for a dealer's license before a dealer's license may be issued.

SEC. 3. Section 11725 of the Vehicle Code is amended to read:

11725. (a) No person shall transport or drive any motor vehicle from this state outside of the United States with the intent to register or sell such vehicle in a foreign jurisdiction, without first removing the license plates and delivering them to the department. Such person may obtain a permit from the department authorizing the operation of the unlicensed motor vehicle on the public highways of this state in order to reach such foreign jurisdiction. Failure to deliver the license plates as required by this subdivision shall be a misdemeanor.

(b) No holder of any license, or any temporary permit for such license issued under this division, shall deliver any vehicle following sale without first removing all license plates from such vehicle when it is known by the licensee that the vehicle is to be exported to a foreign jurisdiction outside of the United States.

SEC. 4. Section 11806 of the Vehicle Code is amended to read:

11806. The department may refuse to issue, or may suspend or revoke, a vehicle salesman's license when it determines that:

(1) The applicant or licensee has outstanding an unsatisfied final court judgment rendered in connection with an activity licensed under the authority of this division.

(2) The applicant or licensee has failed to pay over funds or property received in the course of employment to a dealer entitled thereto.

(3) The applicant or licensee has failed to surrender possession of or failed to return any vehicle to a dealer lawfully entitled thereto upon termination of employment.

(4) A cause for refusal exists under Section 11703.

(5) The applicant or licensee, based on the information contained in the application or by subsequent investigation, is not of good moral character. The conviction of a crime, including a conviction after a plea of nolo contendere, involving moral turpitude shall be prima facie evidence that the applicant or licensee is not of good moral character.

SEC. 5. Section 11810 of the Vehicle Code is amended to read:

11810. (a) The department may, pending a hearing, temporarily suspend the license issued to a vehicle salesman for a period not to exceed 30 days if the director finds that such action is required in the

public interest. In any such case, a hearing shall be held and a decision thereon issued within 30 days after notice of the temporary suspension.

(b) Except where the provisions of this code require the refusal to issue a license, the department may issue a probationary license subject to conditions to be observed by the licensee in the exercise of the privilege granted. The conditions to be attached to the exercise of the privilege shall be such as may, in the judgment of the department, be in the public interest and suitable to the qualifications of the applicant as disclosed by the application and investigation by the department of the information contained therein.

(c) If the department issues or renews a vehicle salesman's license requiring conditions of probation or if the department refuses to issue a vehicle salesman's license, the applicant shall be entitled to demand in writing a hearing before the director or his representative within 60 days after notice of refusal to issue or issuance of the probationary license.

(d) A person whose license has been revoked or whose application for a license has been denied may reapply for such license after a period of not less than one year has elapsed from the effective date of the decision revoking the license or denying the application; provided, however, that if such decision was based upon subdivision (1) of Section 11806, an earlier reapplication may be made accompanied by evidence satisfactory to the department that such grounds no longer exist.

SEC. 6. Section 11903 of the Vehicle Code is amended to read:

11903. (a) If the department suspends or revokes a representative's license, the licensee shall be entitled to an appropriate hearing. Such hearing shall be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) If the department issues or renews a representative's license requiring conditions of probation or if the department refuses to issue such license, the applicant shall be entitled to demand in writing a hearing as hereinabove provided before the director or his representative within 60 days after notice of refusal or issuance of the probationary license.

(c) A person whose representative's license has been revoked or whose application for a license has been denied may reapply for such license after a period of not less than one year has elapsed from the effective date of the decision revoking the license or denying the application; provided, however, that if such decision was based upon paragraph (3) or (4) of subdivision (b) of Section 11902, an earlier reapplication may be made accompanied by evidence satisfactory to the department that such grounds no longer exist.

SEC. 7. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because

the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 935

An act to amend Section 10858 of the Revenue and Taxation Code, and to amend Sections 5106, 5109, 9562, and 38246 of, and to add Sections 4605 and 38247 to, and to repeal Section 4605 of, the Vehicle Code, relating to vehicles, and making an appropriation therefor.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 10858 of the Revenue and Taxation Code is amended to read:

10858. (a) When a transferee or purchaser of a vehicle applies for transfer of registration, as provided in Section 5902 of the Vehicle Code, and it is determined by the department that vehicle license fee penalties accrued prior to the purchase of the vehicle and that the transferee or purchaser was not cognizant of the nonpayment of the vehicle license fee for the current or prior registration years, the department may waive the vehicle license fee penalties upon payment of the vehicle license fees due.

(b) Other provisions of this code notwithstanding, the Director of Motor Vehicles may, at his discretion, investigate into the circumstances of any application for registration to ascertain if penalties had accrued through no fault or intent of the owner. Provided such circumstances prevail, the director may waive any penalties upon payment of the license fee then due.

(c) When a transferee or purchaser of a vehicle applies for transfer of registration of a vehicle, and it is determined by the department that license fees for the vehicle for any year are unpaid and due, that such fees became due prior to the purchase of the vehicle by the transferee or purchaser, and that the transferee or purchaser was not cognizant of the fact that such fees were unpaid and due, the department may waive such fees and any penalty thereon when the license fees due for the vehicle for the current year are paid.

(d) Upon the transfer of a vehicle for which license fees and any penalties thereon are unpaid and due, such fees and penalties are, notwithstanding the provisions of Article 2 (commencing with Section 10876) of this chapter, the personal debt of the transferor of the vehicle who did not pay such fees and penalties when they

became due or accrued. Such fees and penalties may be collected by the department in an appropriate civil action if the department has waived such fees and penalties pursuant to subdivision (c).

SEC. 2. Section 4605 of the Vehicle Code is repealed.

SEC. 3. Section 4605 is added to the Vehicle Code, to read:

4605. Notwithstanding Section 4000 of this code, and notwithstanding Section 38020 of this code, no fees or penalties imposed under this code or under Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code shall accrue due to operation of a vehicle in conjunction with the theft or embezzlement of the vehicle if the owner or legal owner submits a certificate in writing setting forth the circumstances of the theft or embezzlement and certifies that the theft or embezzlement of the vehicle has been reported pursuant to the provisions of this code.

SEC. 4. Section 5106 of the Vehicle Code is amended to read:

5106. (a) In addition to the regular registration fee, the applicant shall be charged a fee of twenty-five dollars ($25).

(b) In addition to the regular renewal fee, for the vehicle to which such plates are assigned, the applicant for a renewal of such plates shall be charged an additional fee of ten dollars ($10).

(c) Notwithstanding the provisions of subdivision (b) of this section, when payment of renewal fees is not required as specified in Section 4000, the holder of any environmental license plate may retain the plate for a period not exceeding one year upon payment of a fee of ten dollars ($10). Such fee shall be due at the expiration of the registration year of the vehicle to which the environmental license plate was last assigned.

SEC. 5. Section 5109 of the Vehicle Code is amended to read:

5109. When any person who has been issued environmental license plates sells, trades, or otherwise releases ownership of the vehicle upon which the environmental license plates have been displayed, such person shall immediately report the transfer of such plates to an acquired passenger vehicle, commercial vehicle, or trailer pursuant to Section 5108, unless such person determines to retain the plates pursuant to subdivision (c) of Section 5106.

SEC. 6. Section 9562 of the Vehicle Code is amended to read:

9562. (a) When a transferee or purchaser of a vehicle applies for transfer of registration, as provided in Section 5902, and it is determined by the department that registration penalties accrued prior to the purchase of the vehicle, and that the transferee or purchaser was not cognizant of the nonpayment of the fees for registration for the current or prior registration years, the department may waive the registration penalties upon payment of the fees for registration due.

(b) Other provisions of this code notwithstanding, the director may at his discretion investigate into the circumstances of any application for registration to ascertain if penalties had accrued through no fault or intent of the owner. Provided such circumstances prevail, the director may waive any penalties upon payment of the

fees for registration then due.

(c) When a transferee or purchaser of a vehicle applies for transfer of registration of a vehicle, and it is determined by the department that fees for registration of the vehicle for any year are unpaid and due, that such fees became due prior to the purchase of the vehicle by the transferee or purchaser and that the transferee or purchaser was not cognizant of the fact that such fees were unpaid and due, the department may waive such fees and any penalty thereon when the license fees due for the vehicle for the current year are paid.

(d) Upon the transfer of a vehicle for which fees for registration and any penalties thereon are unpaid and due, such fees and penalties are, notwithstanding the provisions of Article 6 (commencing with Section 9800) of this chapter, the personal debt of the transferor of the vehicle who did not pay such fees and penalties when they became due or accrued. Such fees and penalties may be collected by the department in an appropriate civil action if the department has waived such fees and penalties pursuant to subdivision (c).

SEC. 7. Section 38246 of the Vehicle Code is amended to read:

38246. (a) A penalty shall be added upon any application for renewal of identification made on or after the day following the expiration date except as provided in Section 4605, 38122, or 38247.

(b) If the fee specified in subdivision (a) or (c) of Section 38255 is not paid within 10 days after such fee becomes delinquent, a penalty shall be added thereto.

(c) When renewal fee penalties have not accrued and the ownership of the vehicle is transferred, the transferee shall have a period of 20 days from the date of such transfer to pay any identification fees which become due without payment of any penalties that would otherwise be required as provided in subdivision (a).

(d) Except as otherwise provided in this section, if any fee is not paid within 20 days after such fee becomes delinquent a penalty shall be added thereto.

SEC. 8. Section 38247 is added to the Vehicle Code, to read:

38247. (a) When a transferee or purchaser of a vehicle applies for transfer of identification, as provided in Section 38205, and it is determined by the department that penalties accrued prior to the purchase of the vehicle, and that the transferee or purchaser was not cognizant of the nonpayment of the fees for identification for the current or prior identification years, the department may waive the identification penalties upon payment of the fees for identification due.

(b) Other provisions of this code notwithstanding, the director may at his discretion investigate into the circumstances of any application for identification to ascertain if penalties had accrued through no fault or intent of the owner. Provided such circumstances prevail, the director may waive any penalties upon payment of the

fees for identification then due.

(c) When a transferee or purchaser of a vehicle applies for transfer of identification of a vehicle, and it is determined by the department that fees for identification of the vehicle for any year are unpaid and due, that such fees became due prior to the purchase of the vehicle by the transferee or purchaser and that the transferee or purchaser was not cognizant of the fact that such fees were unpaid and due, the department may waive such fees and any penalty thereon when the identification fees due for the vehicle for the current year are paid.

(d) Upon the transfer of a vehicle for which fees for identification and any penalties thereon are unpaid and due, such fees and penalties are, notwithstanding the provisions of Article 6 (commencing with Section 9800) of this chapter, the personal debt of the transferor of the vehicle who did not pay such fees and penalties when they became due or accrued. Such fees and penalties may be collected by the department in an appropriate civil action if the department has waived such fees and penalties pursuant to subdivision (c).

CHAPTER 936

An act to add Section 330.7 to the Penal Code, relating to antique slot machines, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 330.7 is added to the Penal Code, to read:

330.7. (a) It shall be a defense to any prosecution under this chapter relating to slot machines, as defined in subdivision (2) of Section 330b, if the defendant shows that the slot machine is an antique slot machine and was not operated for gambling purposes while in the defendant's possession. For the purposes of this section, a slot machine shall be conclusively presumed an antique slot machine if it was manufactured prior to 1941.

(b) Notwithstanding Section 335a, whenever the defense provided by subdivision (a) is offered, no slot machine seized from any defendant shall be destroyed or otherwise altered until after a final court determination that such defense is not applicable. If the defense is applicable, any such slot machine shall be returned pursuant to provisions of law providing for the return of property.

(c) It is the purpose of this section to protect the collection and restoration of antique slot machines not presently utilized for gambling purposes because of their aesthetic interest and

importance in California history.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Hundreds of collectors of antique slot machines in California are currently subject to prosecution. In order to prevent the prosecution of persons because of misunderstanding as to the law, it is necessary that this act take effect immediately.

CHAPTER 937

An act to amend Sections 220 and 40000.5 of, and to add Section 221 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 220 of the Vehicle Code is amended to read:

220. An "automobile dismantler" is any person not otherwise expressly excluded by Section 221 who:

(a) Is engaged in the business of buying, selling, or dealing in vehicles of a type required to be registered under this code, for the purpose of dismantling the same, who buys or sells the integral parts and component materials thereof, in whole or in part, or deals in used motor vehicle parts. This section does not apply to the occasional and incidental dismantling of vehicles by dealers who have secured dealers plates from the department for the current year whose principal business is buying and selling new and used vehicles, or by owners who desire to dismantle not more than three personal vehicles within any 12-month period.

(b) Notwithstanding the provisions of subdivision (a), keeps or maintains on real property owned by him, or under his possession or control, two or more unregistered motor vehicles no longer intended for, or in condition for, legal use on the highways, whether for the purpose of resale of used parts, for the purpose of reclaiming for use some or all of the materials, whether metal, glass, fabric, or otherwise, or to dispose of them, or for any other purpose.

SEC. 2. Section 221 is added to the Vehicle Code, to read:

221. (a) The term "automobile dismantler" does not include:

(1) The owner of any premises on which two or more unregistered and inoperable vehicles are held or stored where such vehicles are used, or intended to be used, for restoration or as replacement parts or otherwise in conjunction with any business of a licensed dealer, manufacturer, or transporter, or in conjunction

with the operation and maintenance of any fleet of motor vehicles used for the transportation of persons or property.

(2) The owner of any premises or property used in conjunction with any agricultural, farming, mining, ranching, or motor vehicle repair business.

(3) Any person engaged in the restoration of vehicles of the type described in Section 5004 or in the restoration of other vehicles having historic or classic significance.

(4) The owner of a steel mill, scrap metal processing facility, or similar establishment purchasing vehicles of a type subject to registration, not for the purpose of selling the vehicles in whole or in part but exclusively for the purpose of reducing such vehicles to their component materials, provided that such facility obtain, on a form approved or provided by the department, a certification by the person from whom the vehicles are obtained, that any such vehicle has been cleared for dismantling pursuant to Section 11520.

(b) Any vehicle acquired for the purpose expressed in paragraph (4) of subdivision (a) from other than a licensed dismantler or an independent hauler who obtained the vehicle, or parts thereof, from a licensed dismantler shall be accompanied by either a receipt issued by the department evidencing proof of clearance for dismantling under the provisions of Section 11520, or a copy of the ordinance or order issued by local authority for the abatement of such vehicle pursuant to Section 22660. The steel mill, scrap metal processing facility, or similar establishment acquiring such vehicle shall attach the form evidencing clearance or abatement to the certification required and retained pursuant to this section.

All forms specified in paragraph (4) of subdivision (a) and in this subdivision shall be available for inspection by a peace officer during business hours.

SEC. 3. Section 40000.5 of the Vehicle Code is amended to read:

40000.5. A violation of any of the following provisions shall constitute a misdemeanor, and not an infraction:

Section 20, relating to false statements.

Section 27, relating to impersonating a member of the California Highway Patrol.

Section 31, relating to giving false information.

Paragraph (4) of subdivision (a), or subdivision (b), or both, of Section 221, relating to proper evidence of clearance for dismantling.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities which, in the aggregate, do not result in significant, identifiable cost changes.

CHAPTER 938

An act to amend Sections 41801 and 41803 of the Education Code, relating to postsecondary education grants, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 41801 of the Education Code is amended to read:

41801. California State University and Colleges Educational Opportunity Program grants may be awarded to persons selected for enrollment in programs authorized by the trustees according to the procedures established by the trustees, provided that they are residents of this state, are high school graduates or have, pursuant to such procedures, equivalent qualifications, and have been nominated by their high school, the Veterans Administration, a state agency or educational agency designated by the trustees, or a state university or college president. The trustees shall determine eligibility for grants awarded pursuant to this chapter. Such grants may be granted and renewed according to standards set by the trustees until the student has received a baccalaureate degree or has completed five academic years, whichever occurs first. In special circumstances, such as illness or military service, or family hardship, the trustees may renew the grant beyond the fifth year of study, provided the student has not received a baccalaureate degree. When the recipient is an enrollee in a special educational opportunity program approved by the trustees, for the purposes of this chapter, the state university or college sponsoring the program shall receive from the trustees reimbursement of up to sixty dollars ($60) per month per enrollee up to 12 months support.

SEC. 2. Section 41803 of the Education Code is amended to read:

41803. Grants awarded pursuant to this chapter shall be in an amount sufficient to pay the costs of a student, during his course of study, for tuition, books, and room and board in accordance with his needs as shall be determined by the trustees. No student shall be awarded a grant in excess of one thousand dollars ($1,000) per academic year. The trustees shall require that each applicant for a grant pursuant to this chapter also make prior or concurrent application for a federal basic educational opportunity grant, unless the trustees are satisfied that the applicant is not eligible for such federal grant.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the provisions of this act shall be given maximum implementation and be in effect to provide assistance to students at the beginning of the 1976–77 academic year, it is necessary that it be given effect at the earliest possible time.

CHAPTER 939

An act making an appropriation to the Department of the California Highway Patrol and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. There is hereby appropriated from the Motor Vehicle Account in the State Transportation Fund the sum of seven hundred sixty-two thousand dollars ($762,000) to the Department of the California Highway Patrol to immediately supply safety and police protective equipment to all California Highway Patrolmen regardless of their date of employment, for allocation in the following manner:

(a) For initial supply to members employed prior to July 1, 1972	$645,000
(b) For initial supply to all members	$103,000
(c) For initial supply to members assigned to certain geographical locations	$ 14,000

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The funds appropriated by this act are required to comply with a peremptory writ of mandate issued October 8, 1975, by Judge Lloyd A. Phillips, Jr., (California Association of Highway Patrolmen v. Department of California Highway Patrol, State of California et al.—San Francisco Superior Court #657-145), directing the Department of the California Highway Patrol to "immediately and forthwith" furnish state-owned safety and police protective equipment listed in the writ to all California Highway Patrolmen who were not issued such equipment. It is essential, therefore, that this act go into immediate effect.

04329 293270 471

CHAPTER 940

An act to amend Section 232 of the Civil Code, relating to parental custody and control.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 232 of the Civil Code is amended to read:

232. (a) An action may be brought for the purpose of having any person under the age of 18 years declared free from the custody and control of either or both of his parents when such person comes within any of the following descriptions:

(1) Who has been left without provision for his identification by his parent or parents or by others or has been left by both of his parents or his sole parent in the care and custody of another for a period of six months or by one parent in the care and custody of the other parent for a period of one year without any provision for his support, or without communication from such parent or parents, with the intent on the part of such parent or parents to abandon such person. Such failure to provide identification, failure to provide, or failure to communicate shall be presumptive evidence of the intent to abandon. Such person shall be deemed and called a person abandoned by the parent or parents abandoning him. If in the opinion of the court the evidence indicates that such parent or parents have made only token efforts to support or communicate with the child, the court may declare the child abandoned by such parent or parents. In those cases in which the child has been left without provision for his identification and the whereabouts of the parents are unknown, a petition may be filed after the 120th day following the discovery of the child and citation by publication may be commenced. The petition may not be heard until after the 180th day following the discovery of the child.

The fact that a child is in a foster care home, licensed under subdivision (a) of Section 16000 of the Welfare and Institutions Code, shall not prevent a licensed adoption agency which is planning adoption placement for the child, from instituting, under this subdivision, an action to declare such child free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel and if there is no county counsel, the district attorney shall institute such action.

(2) Who has been cruelly treated or neglected by either or both of his parents, if such person has been a dependent child of the juvenile court, and such parent or parents deprived of his custody for the period of one year prior to the filing of a petition praying that he be declared free from the custody and control of such cruel or neglectful parent or parents.

(3) Whose parent or parents suffer a disability because of the habitual use of alcohol, or any of the controlled substances specified in Schedules I to V, inclusive, of Division 10 (commencing with Section 11000) of the Health and Safety Code, except when such controlled substances are used as part of a medically prescribed plan, or are morally depraved, if such person has been a dependent child of the juvenile court, and the parent or parents deprived of his custody because of such disability, or moral depravity, for the period of one year continuously immediately prior to the filing of the petition praying that he be declared free from the custody and control of such parent or parents. As used in this subdivision, "disability" means any physical or mental incapacity which renders the parent or parents unable to adequately care for and control the child.

(4) Whose parent or parents are convicted of a felony, if the facts of the crime of which such parent or parents were convicted are of such nature as to prove the unfitness of such parent or parents to have the future custody and control of the child.

(5) Whose parent or parents have been declared by a court of competent jurisdiction wherever situated to be mentally deficient or mentally ill, if, in the state or country in which the parent or parents are hospitalized or resident, the State Director of Health, or his equivalent, if any, and the superintendent of the hospital of which, if any, such parent or parents are inmates or patients certify that such parent or parents so declared to be mentally deficient or mentally ill will not be capable of supporting or controlling the child in a proper manner.

(6) Whose parent or parents are, and will remain incapable of supporting or controlling the child in a proper manner because of mental deficiency or mental illness, if there is testimony to this effect from two physicians and surgeons each of which must have been certified either by the American Board of Psychiatry and Neurology or under Section 6750 of the Welfare and Institutions Code. If, however, the parent or parents reside in another state or in a foreign country, the testimony herein may be supplied by two physicians and surgeons who are residents of such state or foreign country, if such physicians and surgeons have been certified by a medical organization or society of that state or foreign country to practice psychiatric or neurological medicine and if the court determines that the certification requirements of such organization or society are comparable to those of the American Board of Psychiatry and Neurology.

The parent or parents shall be cited to be present at the hearing, and if he or they have no attorney, the court shall appoint an attorney or attorneys to represent the parent or parents and fix the compensation to be paid by the county for such services, if he determines the parent or parents are not financially able to employ counsel.

(7) Who has been cared for in one or more foster homes under the

supervision of the juvenile court, the county welfare department or other public or private licensed child-placing agency for two or more consecutive years, providing that the court finds beyond reasonable doubt that return of the child to his parent or parents would be detrimental to the child and that the parent or parents have failed during such period, and are likely to fail in the future, to

(i) Provide a home for said child;

(ii) Provide care and control for the child; and

(iii) Maintain an adequate parental relationship with the child.

Physical custody of the child by the parent or parents for insubstantial periods of time during the required two-year period will not serve to interrupt the running of such period.

(b) A licensed adoption agency may institute under this section, an action to declare a child, as described in this section, free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel, or if there is no county counsel, the district attorney shall in a proper case institute such action.

SEC. 2. Section 232 of the Civil Code is amended to read:

232. (a) An action may be brought for the purpose of having any person under the age of 18 years declared free from the custody and control of either or both of his parents when such person comes within any of the following descriptions:

(1) Who has been left without provision for his identification by his parent or parents or by others or has been left by both of his parents or his sole parent in the care and custody of another for a period of six months or by one parent in the care and custody of the other parent for a period of one year without any provision for his support, or without communication from such parent or parents, with the intent on the part of such parent or parents to abandon such person. Such failure to provide identification, failure to provide, or failure to communicate shall be presumptive evidence of the intent to abandon. Such person shall be deemed and called a person abandoned by the parent or parents abandoning him. If in the opinion of the court the evidence indicates that such parent or parents have made only token efforts to support or communicate with the child, the court may declare the child abandoned by such parent or parents. In those cases in which the child has been left without provision for his identification and the whereabouts of the parents are unknown, a petition may be filed after the 120th day following the discovery of the child and citation by publication may be commenced. The petition may not be heard until after the 180th day following the discovery of the child.

The fact that a child is in a foster care home, licensed under subdivision (a) of Section 16000 of the Welfare and Institutions Code, shall not prevent a licensed adoption agency which is planning adoption placement for the child, from instituting, under this subdivision, an action to declare such child free from the custody and control of his parents. When the requesting agency is a licensed

county adoption agency, the county counsel and if there is no county counsel, the district attorney shall institute such action.

(2) Who has been cruelly treated or neglected by either or both of his parents, if such person has been a dependent child of the juvenile court, and such parent or parents deprived of his custody for the period of one year prior to the filing of a petition praying that he be declared free from the custody and control of such cruel or neglectful parent or parents.

(3) Whose parent or parents suffer a disability because of the habitual use of alcohol, or any of the controlled substances specified in Schedules I to V, inclusive, of Division 10 (commencing with Section 11000) of the Health and Safety Code, except when such controlled substances are used as part of a medically prescribed plan, or are morally depraved, if such person has been a dependent child of the juvenile court, and the parent or parents deprived of his custody because of such disability, or moral depravity, for the period of one year continuously immediately prior to the filing of the petition praying that he be declared free from the custody and control of such parent or parents. As used in this subdivision, "disability" means any physical or mental incapacity which renders the parent or parents unable to adequately care for and control the child.

(4) Whose parent or parents are convicted of a felony, if the facts of the crime of which such parent or parents were convicted are of such nature as to prove the unfitness of such parent or parents to have the future custody and control of the child.

(5) Whose parent or parents have been declared by a court of competent jurisdiction wherever situated to be mentally deficient or mentally ill, if, in the state or country in which the parent or parents are hospitalized or resident, the State Director of Health, or his equivalent, if any, and the superintendent of the hospital of which, if any, such parent or parents are inmates or patients certify that such parent or parents so declared to be mentally deficient or mentally ill will not be capable of supporting or controlling the child in a proper manner.

(6) Whose parent or parents are, and will remain incapable of supporting or controlling the child in a proper manner because of mental deficiency or mental illness, if there is testimony to this effect from two physicians and surgeons each of which must have been certified either by the American Board of Psychiatry and Neurology or under Section 6750 of the Welfare and Institutions Code. If, however, the parent or parents reside in another state or in a foreign country, the testimony herein may be supplied by two physicians and surgeons who are residents of such state or foreign country, if such physicians and surgeons have been certified by a medical organization or society of that state or foreign country to practice psychiatric or neurological medicine and if the court determines that the certification requirements of such organization or society are comparable to those of the American Board of Psychiatry and

Neurology.

The parent or parents shall be cited to be present at the hearing, and if he or they have no attorney, the court shall appoint an attorney or attorneys to represent the parent or parents and fix the compensation to be paid by the county for such services, if he determines the parent or parents are not financially able to employ counsel.

(7) Who has been cared for in one or more foster homes under the supervision of the juvenile court, the county welfare department or other public or private licensed child-placing agency for two or more consecutive years, providing that the court finds by clear and convincing evidence that return of the child to his parent or parents would be detrimental to the child and that the parent or parents have failed during such period, and are likely to fail in the future, to

(i) Provide a home for said child;

(ii) Provide care and control for the child;

(iii) Maintain an adequate parental relationship with the child; and

(iv) Maintain continuous contact with the child, unless unable to do so.

Physical custody of the child by the parent or parents for insubstantial periods of time during the required two-year period will not serve to interrupt the running of such period.

(b) A licensed adoption agency may institute under this section, an action to declare a child, as described in this section, free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel, or if there is no county counsel, the district attorney shall in a proper case institute such action.

SEC. 3. It is the intent of the Legislature, if this bill and Senate Bill No. 1385 are both chaptered and become effective January 1, 1977, both bills amend Section 232 of the Civil Code, and this bill is chaptered after Senate Bill No. 1385, that the amendments to Section 232 proposed by both bills be given effect and incorporated in Section 232 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Senate Bill No. 1385 are both chaptered and become effective January 1, 1977, both amend Section 232, and this bill is chaptered after Senate Bill No. 1385, in which case Section 1 of this act shall not become operative.

CHAPTER 941

An act to add Section 25957 to the Health and Safety Code, relating to fetuses.

04417 293355 488

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 25957 is added to the Health and Safety Code, to read:

25957. (a) Except as provided in subdivision (b), at the conclusion of any scientific or laboratory research or any other kind of experimentation or study upon fetal remains, such fetal remains shall be promptly interred or disposed of by incineration.

Storage of such fetal remains prior to the completion of the research, experimentation, or study shall be in a place not open to the public, and the method of storage shall prevent any deterioration of the fetal remains which would create a health hazard.

(b) The provisions of subdivision (a) shall not apply to public or private educational institutions.

Any violation of this section is a misdemeanor.

SEC. 2. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 942

An act to amend Sections 6891, 6895, and 6897 of the Public Resources Code, relating to mineral deposits, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1976. Filed with Secretary of State September 14, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6891 of the Public Resources Code is amended to read:

6891. The commission may issue a prospecting permit, under such rules and regulations as it may prescribe, for lands which are not known mineral lands to any qualified applicant, upon the payment to the commission of one dollar ($1) per acre for each acre in area embraced within the boundaries of the lands described in the permit. No permit shall be issued for any lands which have been classified by the commission prior to such application as containing commercially valuable mineral deposits. Upon receipt of an

application for a permit, the commission shall determine whether the lands described therein are known mineral lands. If it determines that the lands are known mineral lands, it shall thereupon so classify them and shall reject the application for a prospecting permit.

Subject to such terms and conditions as the commission may determine to be in the best interest of the state, a prospecting permit shall give to the permittee the exclusive right for a period not exceeding two years to prospect for minerals other than oil and gas or other hydrocarbon substances upon lands wherein such mineral deposits belong to the state.

The commission may, in its discretion, extend the term of any permit for a period not exceeding one year, but the term of any such permit, including extensions, shall be limited to a total three years.

SEC. 2. Section 6895 of the Public Resources Code is amended to read:

6895. Upon establishing to the satisfaction of the commission that commercially valuable deposits of minerals have been discovered within the limits of any permit, the permittee shall be entitled to a lease for not more than 160 acres of the land embraced in the prospecting permit, if there be that number of acres within the permit. The area selected by the permittee shall be in compact form, and if surveyed shall be described by the legal subdivisions of the public lands surveys; if unsurveyed, the area shall be surveyed by the commission at the expense of the applicant for the lease, in accordance with rules and regulations to be prescribed by the commission, and the lands leased shall be conformed to and taken in accordance with the legal subdivisions of such surveys. The lease shall provide for the payment of an annual rental of not less than one dollar ($1) per acre, as determined by the commission. The lease shall also provide for payment of either a royalty of not less than 10 percent of the gross revenue received from the sale of mineral products, less any charges approved by the commission that were made or incurred with respect to transporting or processing such products, or a percentage, to be determined by the commission, of the net profits derived from mineral extraction operations under the lease. Payment as a royalty or as a percentage of net profits shall be specified in the permit. Notwithstanding the 160-acre limitation of this section, whenever the lands for which a lease is sought are tide and submerged lands, the commission may divide such lands into such size and number of parcels as the commission shall determine will not substantially impair the public rights to navigation and fishing or interfere with the trust upon which such lands are held.

SEC. 3. Section 6897 of the Public Resources Code is amended to read:

6897. All deposits of minerals, other than oil and gas, in lands belonging to the state, which have been classified by the commission as lands containing commercially valuable mineral deposits and all deposits of such minerals within lands embraced within a prospecting permit and not subject to preferential lease to the

permittee, may be leased by the commission to the highest qualified and responsible bidder; and bidding shall be by competitive bid and on the basis of a cash bonus, royalty rate, net profit, or other single biddable factor, and shall be conducted under general regulations and in such form as the commission deems to be to the best interest of the state. In addition to the payment of a royalty or a percentage of the net profits derived from mineral extraction operations provided therein, each bid and each lease shall also provide for an annual payment in advance of rent of not less than one dollar ($1) per acre or such greater sum as the commission may specify.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Inasmuch as this act provides for revenues that are greatly needed by the state and for certain savings to the State Lands Commission in its operations, it is necessary that this act take effect immediately.

CHAPTER 943

An act to repeal Section 413½ of the Penal Code, relating to boxing contests.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 413½ of the Penal Code is repealed.

CHAPTER 944

An act to amend Section 2611.5 of the Revenue and Taxation Code, and to add Sections 26601.1 and 26625.1 to the Water Code, relating to irrigation district assessments.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2611.5 of the Revenue and Taxation Code is amended to read:

2611.5. (a) The following information shall be included either in each county tax bill or in a separate statement accompanying the tax bill:

(1) The full value and the assessed value of locally assessed

property; if in addition thereto a different assessment is required for irrigation district purposes pursuant to Section 26625.1 of the Water Code, the assessed value for such purpose.

(2) The assessment ratio used to determine the assessed value.

(3) The tax rates or the dollar amounts of taxes levied by each revenue district and taxing agency on the property covered by the tax bill.

(4) In lieu of itemizing the information required by paragraph (3) of this subdivision, the tax rates or dollar amounts of taxes levied on the property covered by the bill for county and city purposes. The tax rates or dollar amounts of taxes levied on the property for other purposes shall be itemized. This option is available only if the information is included on the tax bill.

(b) With respect to any property for which the homeowners' property tax exemption is granted, the tax bill or accompanying statement shall include, in addition to the information required by subdivision (a), the following:

(1) The assessed value of the property;

(2) The amount of the homeowners' exemption;

(3) The total tax rate applicable on the property covered by the tax bill;

(4) The gross taxes prior to the application of the homeowners' exemption;

(5) The amount of tax reduction attributable to the homeowners' exemption; and

(6) The total taxes due on the property covered by the tax bill.

(c) The information required by subdivision (b) for single-family homes shall be in the form of the following example:

(1) Assessed value of the property	$5,000
(2) Homeowners' exemption	$1,750
(3) Total tax rate applicable to the property	$10
(4) Gross taxes prior to the application of the homeowners' exemption	$500
(5) Tax reduction attributable to the state-financed homeowners' property tax relief program	$175
(6) Total taxes due	$325

(d) In any year in which all of the assessments on the local secured roll have been raised or lowered as a result of a board order adopted pursuant to Section 18, Article XIII of the California Constitution, the full value may be omitted or, if shown, the tax bill shall include an explanation of the inconsistency of that figure with the equalized assessed value and the announced assessment ratio. The explanation required by this subdivision may be printed on an enclosure accompanying such bill.

SEC. 2. Section 26601.1 is added to the Water Code, to read:

26601.1. (a) At its option, the board of directors of the Madera Irrigation District may adopt a resolution declaring its intention to dispense with either the office of the assessor or the office of the

collector of the district. Such resolution shall specify either or both of the following:

(1) The county assessor is to assess all lands in the district in accordance with Section 401 of the Revenue and Taxation Code as of 12:01 a.m. on the first day of March of that year, and the assessor is to deliver a roll of all such assessments to the clerk of the district.

(2) The county collector is to collect the district's annual assessment levy in the manner prescribed in Article 3 (commencing with Section 26650) of this chapter.

(b) Such resolution shall specify whether, under the proposed procedure, lands subject to sale for unpaid assessments shall be sold to the district or sold to the state.

SEC. 3. Section 26625.1 is added to the Water Code, to read:

26625.1. If in the Madera Irrigation District, the county assessment roll reflects assessed value based on the California Land Conservation Act of 1965 (Williamson Act), (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1 of Title 5 of the Government Code) for any parcel, then, upon the request of the Madera Irrigation District, such parcel shall also be assessed by the county assessor pursuant to Section 401 of the Revenue and Taxation Code. The assessed value for such parcel thus determined shall be entered on a supplemental assessment roll for district assessment purposes only and shall be used by the assessor for district assessments. The Madera Irrigation District shall reimburse the county for any increased cost incurred in making such additional assessment.

SEC. 4. The Legislature hereby finds and declares that use of the county assessment roll in the Madera Irrigation District has resulted in an inequitable apportionment of the costs of providing water for use in the Madera Irrigation District and that this act is therefore necessary to remove such inequity.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act authorizes a revenue source, or makes local governments eligible for a revenue source, that may be utilized by local governments to cover the cost of the mandate.

CHAPTER 945

An act to amend Section 16851 of the Education Code, and to amend Section 545 of, and to add Sections 2807.1 and 2807.2 to, the Vehicle Code, relating to schoolbuses, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 16851 of the Education Code, as added by Chapter 1260 of the Statutes of 1975, is amended to read:

16851. A schoolbus is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transporting pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under exclusive jurisdiction of a publicly owned transit system, on scheduled runs but not used exclusively for the transportation of school pupils.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

(f) Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Superintendent of Public Instruction.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's

certificate as provided for pursuant to regulations adopted by the State Board of Education. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid; provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such regulations.

This section shall become operative on January 1, 1977.

SEC. 2. Section 545 of the Vehicle Code, as added by Chapter 1260 of the Statutes of 1975, is amended to read:

545. A schoolbus is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transporting pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under exclusive jurisdiction of a publicly owned transit system, on scheduled runs but not used exclusively for the transportation of school pupils.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

(f) Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Superintendent of Public Instruction.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's certificate as provided for pursuant to regulations adopted by the State Board of Education. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid; provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such regulations.

This section shall become operative on January 1, 1977.

SEC. 3. Section 2807.1 is added to the Vehicle Code, to read:

2807.1. (a) The Department of the California Highway Patrol shall inspect and certify every vehicle specified under subdivisions (d) or (e) of Section 545 which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, at least once each year to ascertain whether its condition complies with all provisions of the law.

(b) No person shall drive any motor vehicle specified in subdivision (a) unless there is displayed therein a certificate issued by the Department of the California Highway Patrol stating that on a certain date, which shall be within 13 months of the date of operation, an authorized employee of the Department of the California Highway Patrol inspected such motor vehicle and found that on the date of inspection such motor vehicle complied with the applicable provisions of the state law. The Commissioner of the California Highway Patrol shall provide by rule or regulation for the issuance and display of distinctive inspection certificates.

SEC. 4. Section 2807.2 is added to the Vehicle Code, to read:

2807.2. The State Board of Education, by regulation, shall provide for a preventive maintenance inspection guide for weekly use by operators of motor vehicles specified in Sections 2807 and 2807.1. The regulations shall provide that such record of inspection shall be signed by the person making such inspection, and the record of such inspections shall be retained on file by the operator for review and inspection by the Department of the California Highway Patrol.

SEC. 5. There is hereby appropriated for the purposes of this act the amounts specified according to the following schedule:

(a) The sum of one hundred forty-three thousand five hundred ten dollars ($143,510) from the Motor Vehicle Account in the State Transportation Fund to the Department of the California Highway Patrol for the purposes of Section 2807.1 of the Vehicle Code.

(b) The sum of forty thousand dollars ($40,000) from the Motor Vehicle Account in the State Transportation Fund to the Department of Motor Vehicles for the purposes of expanding the issuance of California schoolbus driver's certificates as provided for in Section 16851 of the Education Code and Section 545 of the Vehicle Code.

(c) The sum of fifty thousand dollars ($50,000) from the Driver Training Penalty Assessment Fund to the General Fund and from the General Fund to the Department of Education for expenditure during the 1976–77 fiscal year for the purposes of Section 2807.2 of the Vehicle Code and for enacting and implementing rules and regulations pursuant to Section 16851 of the Education Code and Section 545 of the Vehicle Code.

SEC. 6. Section 3 of this act shall become operative on January 1, 1977.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

A recent tragic schoolbus accident involving the death of many pupils has indicated schoolbus safety standards should be improved. In order to upgrade schoolbus safety standards and make the transportation of pupils in schoolbuses as safe as possible, at the earliest possible time, and to permit the Department of the California Highway Patrol adequate time to implement the provisions of this act, it is essential that this act take immediate effect.

CHAPTER 946

An act to amend Section 16851 of, and to repeal Section 16851 of, the Education Code, and to amend Section 545 of, and to repeal Section 545 of, the Vehicle Code, relating to schoolbuses.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 16851 of the Education Code, as amended by Chapter 1260 of the Statutes of 1975, is amended to read:

16851. A schoolbus is defined as any motor vehicle while being used for the transportation of any school pupil at or below the

12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under exclusive jurisdiction of a publicly owned transit system, at the time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Superintendent of Public Instruction.

SEC. 1.5. Section 16851 of the Education Code, as amended by Chapter 1260 of the Statutes of 1975, is amended to read:

16851. A schoolbus is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transporting pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under exclusive jurisdiction of a publicly owned transit system, at the

time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Superintendent of Public Instruction.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's certificate as provided for pursuant to regulations adopted by the State Board of Education. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid; provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such regulations.

SEC. 2. Section 16851 of the Education Code, as added by Chapter 1260 of the Statutes of 1975, is repealed.

SEC. 3. Section 545 of the Vehicle Code, as amended by Chapter 1260 of the Statutes of 1975, is amended to read:

545. A "schoolbus" is any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or

physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, at the time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private school.

Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Superintendent of Public Instruction.

SEC. 3.5. Section 545 of the Vehicle Code, as amended by Chapter 1260 of the Statutes of 1975, is amended to read:

545. A "schoolbus" is defined as any motor vehicle while being used for the transportation of any school pupil at or below the 12th-grade level to and from a public or private school or to and from public or private school activities, except the following:

(a) A passenger vehicle designed for and when actually carrying not more than eight persons, including the driver, or a motortruck transporting pupils who are seated only in the passenger compartment, except any such vehicle or truck transporting two or more handicapped pupils confined to wheelchairs.

(b) A 9-passenger or 10-passenger station wagon when used for the transportation of not more than eight pupils and the driver, other than the regular transportation of pupils to and from a public or private school or the transportation of mentally retarded or physically handicapped pupils.

(c) A motor vehicle of any type carrying only members of the household of the owner thereof.

(d) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, at the time it is on a scheduled run and is available to the general public.

(e) A motor vehicle operated by a common carrier, or by and under the exclusive jurisdiction of a publicly owned transit system, or by a passenger charter-party carrier and used under a contractual agreement to transport pupils to and from school activities but not used regularly to transport pupils to and from a public or private

school.

(f) Notwithstanding any other provisions of this section, the governing board of a district maintaining a community college may, by resolution, designate any motor vehicle operated by or for the district, a schoolbus within the meaning of this section, while it is being used for the transportation of any community college students to and from a public community college or to and from public community college activities. The designation shall not be effective until written notification thereof has been filed with the Superintendent of Public Instruction.

A vehicle defined as a "schoolbus" or exempt under subdivision (d) or (e) which is occupied, aside from the driver, exclusively by school pupils or exclusively by school pupils and persons accompanying them for supervisory purposes, to which the use by the general public is prohibited by the carrier under a contract or agreement with the school and which is being operated to transport pupils to and from a public or private school activity, shall be driven by a driver who possesses a valid California schoolbus driver's certificate as provided for pursuant to regulations adopted by the State Board of Education. Such regulations, however, shall not require drivers who operate such vehicles to duplicate training or schooling that they have otherwise received which is equivalent to that required pursuant to such regulations, nor shall such regulations require drivers who operate such vehicles to take training in first aid; provided, a valid California schoolbus driver's certificate shall not entitle the bearer to drive any other vehicle than that specified in this subdivision, and such driver's certificate shall distinguish drivers who have received a schoolbus driver's certificate pursuant to such regulations.

SEC. 4. Section 545 of the Vehicle Code, as added by Chapter 1260 of the Statutes of 1975, is repealed.

SEC. 5. It is the intent of the Legislature, if this bill and Senate Bill No. 2199 are both chaptered and become effective on or before January 1, 1977, both bills amend Section 16851 of the Education Code, and this bill is chaptered after Senate Bill No. 2199, that Section 16851 of the Education Code, as amended by Section 1 of Senate Bill No. 2199, be further amended on the effective date of this act in the form set forth in Section 1.5 of this act to incorporate the changes in Section 16851 proposed by this bill. Therefore, if this bill and Senate Bill No. 2199 are both chaptered and become effective on or before January 1, 1977, and Senate Bill No. 2199 is chaptered before this bill and amends Section 16851, Section 1.5 of this act shall become operative on the effective date of this act and Section 1 of this act shall not become operative.

SEC. 6. It is the intent of the Legislature, if this bill and Senate Bill No. 2199 are both chaptered and become effective on or before January 1, 1977, both bills amend Section 545 of the Vehicle Code, and this bill is chaptered after Senate Bill No. 2199, that Section 545 of the Vehicle Code, as amended by Section 2 of Senate Bill No. 2199,

be further amended on the effective date of this act in the form set forth in Section 3.5 of this act to incorporate the changes in Section 545 proposed by this bill. Therefore, if this bill and Senate Bill No. 2199 are both chaptered and become effective on or before January 1, 1977, and Senate Bill No. 2199 is chaptered before this bill and amends Section 545, Section 3.5 of this act shall become operative on the effective date of this act and Section 3 of this act shall not become operative.

CHAPTER 947

An act to amend Section 480 of the Business and Professions Code, to amend Sections 12910, 12911, 13175, and 13220.16 of the Education Code, and to add Section 26 to the Labor Code, relating to criminal convictions.

[Approved by Governor September 14, 1976 Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 480 of the Business and Professions Code is amended to read:

480. (a) A board may deny a license regulated by this code on the grounds that the applicant has one of the following:

(1) Been convicted of a crime; or

(2) Done any act involving dishonesty, fraud or deceit with the intent to substantially benefit himself or another, or substantially injure another; or

(3) Done any act which if done by a licentiate of the business or profession in question, would be grounds for suspension or revocation of license.

The board may deny a license pursuant to this subdivision only if the crime or act is substantially related to the qualifications, functions or duties of the business or profession for which application is made.

(b) Notwithstanding any other provision of this code, no person shall be denied a license solely on the basis that he has been convicted of a crime if he has obtained a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

(c) A board may deny a license regulated by this code on the ground that the applicant knowingly made a false statement of fact required to be revealed in the application for such license.

SEC. 2. Section 12910 of the Education Code is amended to read:

12910. (a) Except as provided in subdivision (b) of this section, a termination of probation and dismissal of an accusation or information pursuant to Section 1203.4 of the Penal Code shall not,

for the purpose of this division have any effect.

(b) Notwithstanding any other provision of this code, no person shall be denied a hearing solely on the basis that he has been convicted of a crime if he has obtained a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

SEC. 3. Section 12911 of the Education Code is amended to read:

12911. A plea or verdict of guilty or a finding of guilt by a court in a trial without a jury is deemed to be a conviction within the meaning of Sections 13207, 13218, 13255, and 13586 of this code, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing the withdrawal of the plea of guilty and entering a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusations or information. The record of such conviction of a sex offense as defined in Section 12912 or of a narcotics offense defined in Section 12912.5 shall be sufficient proof of conviction of a crime involving moral turpitude for the purposes of Sections 13313, 13327 and 13338, and Sections 13403 to 13441, inclusive, of this code, relating to the dismissal of permanent employees.

SEC. 4. Section 13175 of the Education Code is amended to read:

13175. (a) The commission shall deny any application for the issuance of a credential or for the renewal of a credential made by any applicant who comes within any of the following classes:

(1) Has been determined to be a sexual psychopath under the provisions of Article 1 (commencing with Section 6300), Chapter 2, Part 2, Division 6 of the Welfare and Institutions Code or under similar provisions of law of any other state.

(2) Has been convicted of any sex offense as defined in Section 12912.

(3) Has been convicted of a narcotics offense as defined in Section 12912.5.

(b) Notwithstanding paragraphs (2) and (3) of subdivision (a), no person shall be denied a credential solely on the basis that he has been convicted of a crime specified in paragraphs (2) and (3) of subdivision (a) if he has obtained a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

SEC. 5. Section 13220.16 of the Education Code is amended to read:

13220.16. (a) The Board of Governors of the California Community Colleges shall deny any application for the issuance of a credential authorized by this article made by any applicant who comes within any of the following classes:

(1) Has been determined to be a mentally disordered sex offender under the provisions of Article 1 (commencing with Section 6300), Chapter 2, Part 2, Division 6 of the Welfare and Institutions Code or

under similar provisions of law of any other state.

(2) Has been convicted of any sex offense as defined in Section 12912.

(3) Has been convicted of a narcotics offense as defined in Section 12912.5.

(b) Notwithstanding paragraphs (2) and (3) of subdivision (a), no person shall be denied a credential solely on the basis that he has been convicted of a crime specified in paragraphs (2) and (3) of subdivision (a) if he has obtained or applied for a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

SEC. 6. Section 26 is added to the Labor Code, to read:

26. Notwithstanding any other provision of this code, no person who has not previously obtained a license regulated by this code shall be denied a license solely on the basis that he has been convicted of a crime if he has obtained a certificate of rehabilitation under Section 4852.01 and following of the Penal Code, and if his probation has been terminated and the information or accusation has been dismissed pursuant to Section 1203.4 of the Penal Code.

CHAPTER 948

An act to amend Section 690.18 of the Code of Civil Procedure, relating to attachment and execution.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 690.18 of the Code of Civil Procedure is amended to read:

690.18. (a) Except with regard to court-ordered child or spousal support payments, all money received by any person, a resident of the state, as a pension, or as an annuity or retirement or disability or death or other benefit, or as a return of contributions and interest thereon, from the United States government, or from the state, or any county, city, or city and county, or other political subdivision of the state, or any public trust, or public corporation, or from the governing body of any of them, or from any public board or boards, or from any retirement, disability, or annuity system established by any of them pursuant to statute, whether the same shall be in the actual possession of such pensioner or beneficiary, or deposited by him.

(b) All money held, controlled, or in process of distribution by the state, or a city, city and county, county, or other political subdivision

of the state, or any public trust or public corporation, or the governing body of any of them, or by any public board or boards, derived from the contributions by the state or such city, county, city and county, or other political subdivision, or such public trust, public corporation, governing body, or public board or boards, or by any officer or employee thereof, for retirement or pension purposes or the payment of disability, death, or other benefits, or the payment of benefits payable to, or the reimbursement of benefits paid to, employees thereof under the provisions of the Unemployment Insurance Code, and all rights and benefits accrued or accruing to any person under any system established pursuant to statute by the state, city, city and county, county, or other political subdivision of the state, or any public trust or public corporation for retirement, annuity, or pension purposes or payment of disability or death benefits, and all vacation credits accumulated by a state employee pursuant to the provisions of Section 18050 of the Government Code, or any other public employee pursuant to any law for the accumulation of vacation credits applicable to such employee. Such moneys, benefits, and credits shall be exempt without filing a claim of exemption as provided in Section 690.50.

(c) All money held, controlled, or in process of distribution by any private retirement plan, including, but not limited to, union retirement plans, or any profit-sharing plan designed and used for retirement purposes, or the payment of benefits as an annuity, pension, retirement allowance, disability payment or death benefit from such retirement or profit-sharing plans, and all contributions and interest thereon returned to any member of any such retirement or profit-sharing plan, are exempt from execution, attachment, or garnishment in any bankruptcy proceeding. Except with regard to moneys withheld from employees' wages and contributions based on wages in employment under provisions of the Unemployment Insurance Code, and except with regard to court-ordered child support payments, the exemption given by this subdivision shall apply to any moneys held in self-employed retirement plans and individual retirement annuities or accounts provided for in the Federal "Employee Retirement Income Security Act of 1974" (P.L. 93-406).

CHAPTER 949

An act to add Section 2391.6 to the Business and Professions Code, and to add Section 382.7 to the Penal Code, relating to silicone.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2391.6 is added to the Business and Professions Code, to read:

2391.6. The prescribing, dispensing, administering, or furnishing of liquid silicone for the purpose of injecting such substance into a human breast or mammary constitutes unprofessional conduct within the meaning of this chapter.

SEC. 2. Section 382.7 is added to the Penal Code, to read:

382.7. Every person who knowingly prescribes, dispenses, administers, or furnishes any liquid silicone substance for the purpose of injection into a human breast or mammary is guilty of a misdemeanor.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local government entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 950

An act to add Section 1203.2 to the Education Code, relating to the Sacramento City Unified School District.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 1203.2 is added to the Education Code, to read:

1203.2. If the Charter of the City of Sacramento is amended so that it no longer provides for a board of education of the Sacramento City Unified School District, a new board of education composed of seven members is created under this section immediately upon the effective date of such amendment.

The manner in which, the times at which, and the terms for which the members of the board of education created pursuant to this section shall be elected or appointed, and their qualifications, compensation, and removal, shall be governed by the general provisions of law governing school district governing boards; except that, in order to provide for an orderly transition, the members of the board in office on the effective date of the charter amendment shall each continue in office until the first day of April next succeeding the year in which their respective terms of office would otherwise have terminated.

CHAPTER 951

An act to add Chapter 3.5 (commencing with Section 12360) to Title 2 of Part 4 of the Penal Code and to add Section 2259.5 to the Vehicle Code, relating to bulletproof vests, and making an appropriation therefor.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 3.5 (commencing with Section 12360) is added to Title 2 of Part 4 of the Penal Code, to read:

CHAPTER 3.5. BULLETPROOF VEST CERTIFICATION

12360. No bulletproof vest shall be acquired by the commissioner pursuant to Section 2259.9 of the Vehicle Code unless, pursuant to Section 12361, the Department of Justice has certified such bulletproof vest.

12361. (a) Before a bulletproof vest may be certified for purchase by the Department of Justice, the department, after consultation with the Department of the California Highway Patrol and the California State Police Division, shall determine that such vest will withstand without passing through the vest a lead U.S. round from the following weapons fired at a distance not to exceed ten (10) feet: (1) .357 magnum 158-grain soft-nose, six-inch barrel, (2) .357 magnum 125-grain super-velocity, six-inch barrel, (3) nine-millimeter 124-grain fully jacketed, 4½-inch barrel, (4) .22 magnum, and (5) .22 long rifle. Each vest shall be capable of withstanding no less than three multiple hits within two inches on center. Tests shall be conducted with the vests in a secure position against a wall with minimum give with a sheet of one-inch thick hardwood placed against a wall of sandbags.

Each vest shall have a cover for hygienic purposes and to lessen the deterioration which accompanies each washing of a vest without a case.

(b) Nothing in this section shall restrict the Department of Justice, after consultation with the Department of the California Highway Patrol and the California State Police Division, from establishing a more stringent standard of certification for bulletproof vests.

12362. Any person engaged in the manufacture or sale of bulletproof vests may apply to the Department of Justice for certification that a particular type of bulletproof vest manufactured or sold by that person is acceptable. The applicant shall reimburse the department for any actual expenses incurred by the department in testing and certifying a particular type of bulletproof vest.

12363. Any application submitted pursuant to Section 12362 shall contain all of the following:

(a) Full reports of any investigation conducted for the purpose of determining whether such vest is acceptable.

(b) A full statement of the design of such vest.

(c) A full statement of the methods used in, and the facilities and controls used for, the manufacture of such vest.

(d) Such samples of vests and its components as the department may require.

(e) Specimens of the instructions and advertisements used or proposed to be used for such vest.

12364. Within 180 days after the filing of an application as provided for in Section 12363, or such additional period as may be agreed upon by the department and the applicant, the department shall actually test the vest to see if it conforms to the standards set forth in Section 12361, and shall issue an order certifying such vest as acceptable, or give the applicant notice for any opportunity for a hearing before the department on the question whether such vest is acceptable. If the applicant elects to accept the opportunity for hearing by written request within 30 days after such notice, such hearing shall commence not more than 30 days after receiving such request unless the department and the applicant otherwise agree. Such hearing shall be heard on an expedited basis and the department shall issue an order granting or denying certification within 30 days after the date fixed by the department for filing final briefs.

12365. The department shall issue an order refusing to certify a vest as acceptable if, after due notice to the applicant, the department finds any of the following:

(a) That the vest does not satisfy the requirements prescribed by Section 12361 or by the department pursuant to that section.

(b) That the application contains any misrepresentation of a material fact.

(c) That the application is materially incomplete.

12366. The department shall issue an order revoking certification if, after due notice to the applicant, the department finds any of the following:

(a) That the experience or additional testing show that the vest is not acceptable.

(b) That the application contains any misrepresentation of a material fact.

12367. The department may adopt and promulgate regulations for the fair and efficient enforcement of this chapter.

12368. (a) All purchases of certified bulletproof vests under the provisions of this chapter shall be made by the Department of General Services on behalf of the California Highway Patrol. Purchases of such vests shall be based upon written requests submitted by the California Highway Patrol to the Department of General Services.

(b) The Department of General Services shall, beginning July 1, 1977, make certified bulletproof vests available to peace officer members of the California State Police Division as defined by Section 830.2 of the Penal Code, and to peace officers of the Department of Justice as defined by Section 830.3 of the Penal Code, while engaged in enforcement activities.

12369. The Department of General Services shall, pursuant to departmental regulation, after consultation with the Department of the California Highway Patrol and the California State Police Division, define the term "enforcement activities" for purposes of this chapter, and develop standards regarding what constitutes sufficient wear on such vests to necessitate replacement thereof.

SEC. 2. Chapter 3.5 (commencing with Section 12360) is added to Title 2 of Part 4 of the Penal Code, to read:

CHAPTER 3.5. BULLETPROOF VEST CERTIFICATION

12360. No bulletproof vest shall be acquired by the commissioner pursuant to Section 2259.9 of the Vehicle Code or a local agency pursuant to Section 50081.5 of the Government Code unless, pursuant to Section 12361, the Department of Justice has certified such bulletproof vest.

12361. (a) Before a bulletproof vest may be certified for purchase by the Department of Justice, the department, after consultation with the Department of the California Highway Patrol, the California State Police Division, and local law enforcement agencies, shall determine that such vest will withstand without passing through the vest a lead U.S. round from the following weapons fired at a distance not to exceed ten (10) feet: (1) .357 magnum 158-grain soft-nose, six-inch barrel, (2) .357 magnum 125-grain super-velocity, six-inch barrel, (3) nine millimeter 124-grain fully jacketed, 4½-inch barrel, (4) .22 magnum, and (5) .22 long rifle. Each vest shall be capable of withstanding no less than three multiple hits within two inches on center. Tests shall be conducted with the vests in a secure position against a wall with minimum give with a sheet of one-inch thick hardwood placed against a wall of sandbags.

Each vest shall have a cover for hygienic purposes and to lessen the deterioration which accompanies each washing of a vest without a case.

(b) Nothing in this section shall restrict the Department of Justice, after consultation with the Department of the California Highway Patrol, the California State Police Division, and local law enforcement agencies, from establishing a more stringent standard of certification for bulletproof vests.

12362. Any person engaged in the manufacture or sale of bulletproof vests may apply to the Department of Justice for certification that a particular type of bulletproof vest manufactured or sold by that person is acceptable. The applicant shall reimburse

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the department for any actual expenses incurred by the department in testing and certifying a particular type of bulletproof vest.

12363. Any application submitted pursuant to Section 12362 shall contain all of the following:

(a) Full reports of any investigation conducted for the purpose of determining whether such vest is acceptable.

(b) A full statement of the design of such vest.

(c) A full statement of the methods used in, and the facilities and controls used for, the manufacture of such vest.

(d) Such samples of vests and its components as the department may require.

(e) Specimens of the instructions and advertisements used or proposed to be used for such vest.

12364. Within 180 days after the filing of an application as provided for in Section 12363, or such additional period as may be agreed upon by the department and the applicant, the department shall actually test the vest to see if it conforms to the standards set forth in Section 12361, and shall issue an order certifying such vest as acceptable, or give the applicant notice for any opportunity for a hearing before the department on the question whether such vest is acceptable. If the applicant elects to accept the opportunity for hearing by written request within 30 days after such notice, such hearing shall commence not more than 30 days after receiving such request unless the department and the applicant otherwise agree. Such hearing shall be heard on an expedited basis and the department shall issue an order granting or denying certification within 30 days after the date fixed by the department for filing final briefs.

12365. The department shall issue an order refusing to certify a vest as acceptable if, after due notice to the applicant, the department finds any of the following:

(a) That the vest does not satisfy the requirements prescribed by Section 12361 or by the department pursuant to that section.

(b) That the application contains any misrepresentation of a material fact.

(c) That the application is materially incomplete.

12366. The department shall issue an order revoking certification if, after due notice to the applicant, the department finds any of the following:

(a) That the experience or additional testing show that the vest is not acceptable.

(b) That the application contains any misrepresentation of a material fact.

12367. The department may adopt and promulgate regulations for the fair and efficient enforcement of this chapter.

12368. (a) All purchases of certified bulletproof vests under the provisions of this chapter shall be made by the Department of General Services on behalf of the Department of the California Highway Patrol and local agencies. Purchases of such vests shall be

based upon written requests submitted by the California Highway Patrol to the Department of General Services. Purchases by the Department of General Services for local agencies shall be pursuant to its authority as established in Sections 14814 and 14815 of the Government Code. Purchases of such vests shall be based upon written requests submitted by the legislative bodies of local agencies to the Department of General Services.

(b) The Department of General Services shall, beginning July 1, 1977, make certified bulletproof vests available to peace officer members of the California State Police Division as defined by Section 830.2 of the Penal Code, and to peace officers of the Department of Justice as defined by Section 830.3 of the Penal Code, while engaged in enforcement activities.

12369. The Department of General Services shall, pursuant to departmental regulation, after consultation with the Department of the California Highway Patrol, the California State Police Division, and local law enforcement agencies, define the term "enforcement activities" for purposes of this chapter, and develop standards regarding what constitutes sufficient wear on such vests to necessitate replacement thereof.

SEC. 3. Section 2259.5 is added to the Vehicle Code, to read:

2259.5. The commissioner shall make certified bulletproof vests available to members of the California Highway Patrol while engaged in enforcement activities. The commissioner may, at his option, make such equipment available to the remainder of the personnel of the California Highway Patrol. Such equipment shall remain the property of the Department of the California Highway Patrol and shall be returned upon request of the commissioner. No provision of this section shall be construed to require that the commissioner provide one certified bulletproof vest for each member of the California Highway Patrol. It is the intent of this section that a sufficient number of such vests be available for the use of members of the California Highway Patrol while engaged in enforcement activities. Such vests may be passed from one shift to another in the interests of economy.

SEC. 4. The sum of twenty-five thousand dollars ($25,000) is hereby appropriated from the General Fund to the Department of General Services for the purchase of bulletproof vests for peace officers of the State Police pursuant to this act.

Any funds appropriated by this act which are not expended shall revert to the fund or account from which they were appropriated.

SEC. 5. It is the intent of the Legislature, if this bill and Assembly Bill No. 3272 are both chaptered and become effective January 1, 1977, both bills add Chapter 3.5 (commencing with Section 12360) to Title 2 of Part 4 of the Penal Code, and this bill is chaptered after Assembly Bill No. 3272, that the additions proposed by both bills be given effect and incorporated in such chapter in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Assembly Bill No. 3272 are both

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chaptered and become effective January 1, 1977, both add Chapter 3.5 (commencing with Section 12360) to Title 2 of Part 4 of the Penal Code, and this bill is chaptered after Assembly Bill No. 3272, in which case Chapter 3.5 as added by Section 1 of this act, and by any provision of Assembly Bill No. 3272, shall not become operative.

CHAPTER 952

An act to amend Section 11361.5 of, and to add Section 11361.7 to, the Health and Safety Code, and to add Section 432.8 to the Labor Code, relating to marijuana.

[Approved by Governor September 14, 1976 Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 11361.5 of the Health and Safety Code is amended to read:

11361.5. (a) Records of any court of this state, any public or private agency that provides services upon referral under Section 1000.2 of the Penal Code, or of any state agency or local public agency pertaining to the arrest or conviction of any person for a violation of subdivision (b) or (c) of Section 11357 or subdivision (c) of Section 11360, shall not be kept beyond two years from the date of such a conviction, or from the date of the arrest if there was no conviction. It shall be the duty of each court and each such agency having custody of such records to provide for the timely destruction thereof in accordance with the provisions of subdivision (c). The requirements of this subdivision shall not apply to records of any conviction occurring prior to January 1, 1976, or records of any arrest not followed by a conviction occurring prior to such date.

(b) This subdivision shall be applicable only to records of convictions and arrests not followed by conviction occurring prior to January 1, 1976, for any of the following offenses:

(1) Any violation of Section 11357 or a statutory predecessor thereof.

(2) Unlawful possession of a device, contrivance, instrument or paraphernalia used for unlawfully smoking marijuana, in violation of Section 11364, as it existed prior to January 1, 1976, or a statutory predecessor thereof,

(3) Unlawful visitation or presence in a room or place in which marijuana is being unlawfully smoked or used, in violation of Section 11365, as it existed prior to January 1, 1976, or a statutory predecessor thereof.

(4) Unlawfully using or being under the influence of marijuana, in violation of Section 11550, as it existed prior to January 1, 1976, or a statutory predecessor thereof.

Any person subject to such an arrest or conviction may apply to the Department of Justice for destruction of records pertaining thereto if two years or more have elapsed since the date of the conviction, or since the date of the arrest if not followed by a conviction. The application shall be submitted upon a form supplied by the Department of Justice and shall be accompanied by a fee, which shall be established by the department in such amount as will defray the cost of administering this subdivision and costs incurred by the state under subdivision (e), but which shall not exceed thirty-seven dollars and fifty cents ($37.50). The application form shall be made available at every local police or sheriff's department and from the Department of Justice and may require such information as the department determines is necessary for purposes of identification.

The department may request, but not require, the applicant to include a self-administered fingerprint upon the application. If the department is unable to sufficiently identify the applicant for purposes of this subdivision without such fingerprint or without additional fingerprints, it shall so notify the applicant and shall request the applicant to submit such fingerprints as may be required to effect identification, including a complete set if necessary, or, alternatively, to abandon the application and request a refund of all or a portion of the fee submitted with the application, as provided in this section. If the applicant fails or refuses to submit fingerprints in accordance with the department's request within such reasonable time as shall be established by the department or if the applicant requests a refund of the fee, the department shall promptly mail a refund to the applicant at the address specified in the application or at such other address as may be specified by the applicant. However, if the department has notified the applicant that election to abandon the application will result in forfeiture of a specified amount which is a portion of the fee, the department may retain such portion of the fee as the department may determine will defray the actual costs of processing the application, provided, the amount of such portion retained shall not exceed ten dollars ($10).

Upon receipt of a sufficient application, the Department of Justice shall destroy records of the department, if any, pertaining to such arrest or conviction in the manner prescribed by subdivision (c) and shall notify the Federal Bureau of Investigation, the law enforcement agency which arrested the applicant, and, if the applicant was convicted, the probation department which investigated the applicant and the Department of Motor Vehicles, of the application. Each state or local agency receiving such a notice from the Department of Justice shall destroy records of such agency, if any, pertaining to the arrest or conviction specified in the notice, in the manner prescribed by subdivision (c). The application form and the notices from the department to the agencies specified in this subdivision shall be destroyed by the department or agency, as the case may be, at the time the other records of the arrest or conviction are destroyed.

(c) Destruction of records of arrest or conviction pursuant to subdivision (a) or (b) of this section shall be accomplished by permanent obliteration of all entries or notations upon such records pertaining to the arrest or conviction, and the record shall be prepared again so that it appears that the arrest or conviction never occurred. However, where (1) the only entries upon the record pertain to such arrest or conviction and (2) the record can be destroyed without necessarily effecting the destruction of other records, then the document constituting the record shall be physically destroyed.

(d) Notwithstanding subdivision (a) or (b), written transcriptions of oral testimony in court proceedings and published judicial appellate reports shall not be subject to the provisions of this section. Additionally, no records shall be destroyed pursuant to subdivision (a) if the defendant or a codefendant has filed a civil action against the peace officers or law enforcement jurisdiction which made the arrest or instituted the prosecution and if the agency which is the custodian of such records has received a certified copy of the complaint in such civil action, until the civil action has finally been resolved. Immediately following the final resolution of the civil action, records subject to subdivision (a) of this section shall be destroyed pursuant to subdivision (a) if more than two years has elapsed from the date of the conviction or arrest without conviction.

(e) Costs incurred by local agencies in complying with the provisions of subdivision (b) shall be reimbursed as provided in Section 2231 of the Revenue and Taxation Code.

SEC. 2. Section 11361.7 is added to the Health and Safety Code, to read:

11361.7. (a) Any record subject to destruction or permanent obliteration pursuant to Section 11361.5, or more than two years of age, or a record of a conviction for an offense specified in subdivision (a) or (b) of Section 11361.5 which became final more than two years previously, shall not be considered to be accurate, relevant, timely, or complete for any purposes by any agency or person. The provisions of this subdivision shall be applicable for purposes of the Privacy Act of 1974 (5 U.S.C. Section 552a) to the fullest extent permissible by law, whenever any information or record subject to destruction or permanent obliteration under Section 11361.5 was obtained by any state agency, local public agency, or any public or private agency that provides services upon referral under Section 1000.2 of the Penal Code, and is thereafter shared with or disseminated to any agency of the federal government.

(b) No public agency shall alter, amend, assess, condition, deny, limit, postpone, qualify, revoke, surcharge, or suspend any certificate, franchise, incident, interest, license, opportunity, permit, privilege, right, or title of any person because of an arrest or conviction for an offense specified in subdivision (a) or (b) of Section 11361.5, or because of the facts or events leading to such an arrest or conviction, on or after the date the records of such arrest or

conviction are required to be destroyed by subdivision (a) of Section 11361.5, or two years from the date of such conviction or arrest without conviction with respect to arrests and convictions occurring prior to January 1, 1976. As used in this subdivision, "public agency" includes, but is not limited to, any state, county, city and county, city, public or constitutional corporation or entity, district, local or regional political subdivision, or any department, division, bureau, office, board, commission or other agency thereof.

(c) Any person arrested or convicted for an offense specified in subdivision (a) or (b) of Section 11361.5 may, two years from the date of such a conviction, or from the date of the arrest if there was no conviction, indicate in response to any question concerning his prior criminal record that he was not arrested or convicted for such offense.

(d) The provisions of this section shall be applicable without regard to whether destruction or obliteration of records has actually been implemented pursuant to Section 11361.5.

SEC. 3. Section 432.8 is added to the Labor Code, to read:

432.8. The limitations on employers and the penalties provided for in Section 432.7 shall apply to a conviction for violation of subdivision (b) or (c) of Section 11357 of the Health and Safety Code or a statutory predecessor thereof, or subdivision (c) of Section 11360 of the Health and Safety Code, or Section 11364, 11365, or 11550 of the Health and Safety Code as they related to marijuana prior to January 1, 1976, or a statutory predecessor thereof, two years from the date of such a conviction.

SEC. 4. It is the intent of the Legislature that local governments shall be reimbursed for any costs mandated by the state which are associated with the implementation of subdivision (b) of Section 11361.5 of the Health and Safety Code, as amended by this act, and that such costs shall be reimbursed through the regular budget process. Therefore, notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be any appropriation made by this act because this act authorizes a revenue source, or makes local governments eligible for a revenue source, that may be utilized by local governments to cover the cost of the mandate.

SEC. 5. If any provision of subdivision (a) or (b) of Section 11361.5 of the Health and Safety Code, as they existed prior to January 1, 1977, is held invalid by a decision of a court of this state which is not, or is no longer, subject to appeal, then, to the extent logically mandated by such judicial decision, the same or any analogous provision of Section 11361.5 of the Health and Safety Code, as amended by this act, shall be inoperative on and after the date such judicial decision becomes final.

CHAPTER 953

An act to amend Sections 3501, 3513, 3514, and 3515 of, and to add Section 2310.1 to, the Business and Professions Code, relating to healing arts.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2310.1 is added to the Business and Professions Code, to read:

2310.1. The board shall issue a reciprocity certificate to an applicant to practice a system or mode of treating the sick or afflicted in this state, provided such applicant meets the following requirements:

(a) The applicant is licensed as a physician and surgeon in any other state whose licensing examination is recognized by the board to be the equivalent in content to that administered in California.

(b) He has practiced in such state for at least four years.

(c) The board determines that no disciplinary action has been taken against the applicant by any public agency concerned with the practice of medicine and that the applicant has not been the subject of adverse judgments resulting from the practice of medicine which the board determines constitutes evidence of a pattern of incompetence or negligence.

(d) He passes an oral and comprehensive clinical examination.

SEC. 1.5. Section 3501 of the Business and Professions Code is amended to read:

3501. As used in this chapter:

(a) "Board" means the Board of Medical Quality Assurance of the State of California.

(b) "Approved program" means a program for the education of physician's assistants which has been formally approved by the committee.

(c) "Trainee" means a person who is currently enrolled in an approved program.

(d) "Physician's assistant" means a person who meets the requirements of this chapter and is certified by the committee.

(e) "Committee" means the Physician's Assistant Examining Committee.

(f) "Regulations" means the rules and regulations as contained in Article 15 (commencing with Section 1379) of Chapter 13 of Title 16 of the California Administrative Code.

(g) "Routine visual screening" means uninvasive nonpharmacological simple testing for visual acuity; for visual field defects; for color blindness; and depth perception.

SEC. 2. Section 3513 of the Business and Professions Code is

amended to read:

3513. (a) The committee shall examine and pass upon the qualification of, and shall issue certificates of approval for programs for the education and training of, physician's assistants which meet committee standards.

(b) In establishing criteria for the approval of training programs, the committee shall require such programs to utilize equivalency and proficiency testing and other mechanisms whereby full credit is given to trainees for past health care education and experience.

(c) The committee shall adopt and publish standards to insure that such programs operate in a manner which does not endanger the health and welfare of patients who receive services within the scope of the program. The committee shall review the quality of the curriculum, faculty, and the facilities of such programs.

SEC. 3. Section 3514 of the Business and Professions Code is amended to read:

3514. (a) The board shall formulate by regulation guidelines for the consideration of applications by licensed physicians to supervise a physician's assistant.

(b) The committee shall formulate by regulations guidelines for the consideration of applications for certification as a physician's assistant.

SEC. 4. Section 3515 of the Business and Professions Code is amended to read:

3515. (a) All approvals previously granted shall continue in full force and effect.

(b) The board shall approve an application by a licensed physician to supervise a physician's assistant, where the applicant has met all of the requirements of this chapter and the board's regulations.

(c) The committee shall approve an application to practice as a physician's assistant, where the applicant has successfully completed an examination, as specified in Section 3517, and has:

(1) Successfully completed an approved program; or

(2) Successfully completed, in a medical school or schools located in the United States, a resident course of professional instruction which has been determined by the board to be equivalent to that required by Sections 2191 and 2192 for an applicant for a physician's and surgeon's certificate.

CHAPTER 954

An act relating to a Department of Transportation study of aircraft hazards, and making an appropriation therefor.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. (a) The Department of Transportation shall undertake a study of the cost and feasibility of the following:

(1) Investigating all reports of personal observation that wires, powerlines, or electric cables extend in whole or in part more than 200 feet from the ground and are a hazard to aircraft.

(2) Determining whether such wire, powerline, or electric cable constitutes a hazard to aircraft and how such wire, powerline, or electric cable should be marked if it constitutes a hazard to air navigation.

(3) Promulgating rules and regulations prescribing the manner of marking such hazards.

(4) Expending public money for marking existing hazards.

(5) Using sphere markers made of various lightweight materials and with a minimum diameter of 22 inches at 150-foot spacing intervals to mark wires or cables which are more than 200 feet above the terrain and which leapfrog and cross canyons, rivers, or terrain undulations.

(6) Using flashing strobe or beacon lights to mark support piers of long spans of wire or cable which measure more than one-half mile between such piers.

(b) The department shall report to the Legislature on the study required by subdivision (a) within one year of the effective date of this section.

(c) The department shall hold public hearings to receive input from the public. In addition, the department shall hold at least one public hearing in southern California and one in northern California.

SEC. 2. Notwithstanding the provisions of Section 21683 of the Public Utilities Code, any balance remaining in the Aeronautics Account of the State Transportation Fund after payments made under Section 21682 of the Public Utilities Code, may be used by the Department of Transportation to undertake the study requested by Section 1. No more than forty thousand dollars ($40,000) shall be expended pursuant to this section for such study.

CHAPTER 955

An act to amend Section 10 of Chapter 1262 of the Statutes of 1974, relating to vehicles.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 10 of Chapter 1262 of the Statutes of 1974 is amended to read:

Sec. 10. This act shall be operative on November 1, 1974.

CHAPTER 956

An act to amend Sections 56006, 56068, 56403, 56438, 56450, 56451, 56452, 56453, and 56457 of, and to add Section 56271.1 to, the Government Code, relating to district reorganization.

[Approved by Governor September 14, 1976 Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 56006 of the Government Code is amended to read:

56006. This division shall be liberally construed to effectuate its purposes. No change of organization or reorganization ordered under this division shall be invalidated by any defect, error, irregularity or omission in any act, determination or procedure which does not adversely and substantially affect the rights of any person, city, county, district, the state or any agency or subdivision of the state. All determinations made by a commission or by any legislative body under and pursuant to the provisions of this division shall be final and conclusive in the absence of fraud or prejudicial abuse of discretion. In any action or proceeding to review any determination made by a commission or by a legislative body the sole inquiry shall be whether there was fraud or prejudicial abuse of discretion. Prejudicial abuse of discretion shall be established if the court finds that any determination of a commission or a legislative body was not supported by substantial evidence in light of the whole record.

SEC. 2. Section 56068 of the Government Code is amended to read:

56068. "Reorganization" means:

(a) Two or more changes of organization proposed for any single subject district; or

(b) One or more changes of organization proposed for:

(1) Each of two or more subject districts, including cities, landowner-voter districts or resident-voter districts and may include the formation of one or more new districts consisting of all or any part of the territory of any of the subject districts; or

(2) Any single such subject district and shall include the formation of one or more new districts consisting of all or any part of the territory of such subject district.

SEC. 3. Section 56271.1 is added to the Government Code, to read:

56271.1. A resolution of the commission making determinations relating to a reorganization may designate a city as the agency to assume the powers and duties contained in Section 56291 and Chapter 7 (commencing with Section 56430) of this division, if that city will be required to annex or detach territory as part of a

reorganization proposal approved by the commission.

If a city is so designated by the commission as conducting agency, it shall perform the acts and make the findings otherwise required of the board of supervisors, and the clerk of the county by Section 56291 and Chapter 7 (commencing with Section 56430) of Part 5 of this division.

SEC. 4. Section 56403 of the Government Code is amended to read:

56403. An order establishing a district of limited powers as a subsidiary district may be adopted if upon the date of such order:

(a) The entire territory of such district shall be included within the boundaries of a city; or

(b) A portion or portions of the territory of such district shall be included within the boundaries of a city and such portion or portions shall:

(1) Represent 70 percent or more of the area of taxable or assessable land within such district, as shown on the last equalized assessment roll; and

(2) Contain 70 percent or more of the number of registered voters who reside within the district as shown on the voters' registrar in the office of the county clerk or registrar of voters.

SEC. 5. Section 56438 of the Government Code is amended to read:

56438. Where a proposed reorganization consists solely of annexations, detachments, minor boundary changes, or formation of county service areas, or any combination thereof, a majority protest shall be deemed to exist and the proposed reorganization shall be abandoned if the board of supervisors finds that written protests filed and not withdrawn prior to the conclusion of the hearing represent:

(a) More than 50 percent of the assessed value of land within all territory proposed to be annexed or detached; or

(b) More than 50 percent of the voting power of voters entitled to vote as a result of residing within or owning land within such territory.

If there is no such majority protest, the board of supervisors shall not order such reorganization without election, unless the board of supervisors finds:

(1) In the case of a resident-voter district, that such territory is uninhabited, or in the case of a landowner-voter district, that the territory is uninhabited and the written protests filed and not withdrawn represent less than 25 percent of the number of landowners within such territory, owning less than 25 percent of the assessed value of land therein; or

(2) In the case of inhabited territory, that written protests filed and not withdrawn represent:

(a) Less than 25 percent of the number of landowners within all territory proposed to be annexed or detached, owning not more than 25 percent of the assessed value of land therein; and

(b) Less than 25 percent of the voting power of voters entitled to

vote as a result of residing within or owning land within such territory.

SEC. 6. Section 56450 of the Government Code is amended to read:

56450. Immediately after adoption of a resolution ordering a change of organization or reorganization without election, or a resolution confirming an order for a change of organization or reorganization after confirmation by the voters, the clerk of the legislative body adopting any such resolution shall transmit a certified copy of such resolution along with a remittance to cover the fees required by Section 54902.5 to the executive officer of the commission of the principal county. The executive officer shall examine such resolution and determine whether it is in compliance with boundaries, modifications and conditions specified by the commission in its resolution making determinations.

(a) If the resolution ordering the change of organization or reorganization is determined not to be in compliance, the executive officer shall specify in writing the points of noncompliance, and return the resolution to the appropriate agency for modification.

(b) If the resolution ordering the change of organization or reorganization is determined to be in compliance, the executive officer shall prepare and execute a certificate of completion and shall make the filings required by this chapter.

SEC. 7. Section 56451 of the Government Code is amended to read:

56451. The certificate of completion shall contain:

(a) The names of each district or city for which a change of organization was ordered and the names of each county within which any of said districts or cities are located.

(b) The kind or type of change of organization ordered for each such city or district.

(c) A description of the boundaries of any new district ordered formed or of any territory ordered to be annexed to or detached from any existing district, which description may be made by reference to the boundaries shown on a map attached to such certificate.

(d) Any terms and conditions of the change of organization or reorganization.

(e) The date of adoption of the resolution ordering the change of organization or reorganization without election or the resolution confirming an order for a change of organization or reorganization after confirmation by the voters.

If any such resolution contains all or any part of the information required to be contained in the above certificate, the executive officer of the commission may attach a certified copy of said resolution to his certificate and refer to said resolution for such information.

SEC. 8. Section 56452 of the Government Code is amended to read:

56452. The executive officer of the commission shall file his

certificate of completion with the Secretary of State. Thereupon the Secretary of State shall execute a certificate of filing identifying the certificate of completion filed with him and stating the date of such filing. The Secretary of State shall transmit to such executive officer a counterpart original of the certificate of filing for each county named in said clerk's certificate of completion.

SEC. 9. Section 56453 of the Government Code is amended to read:

56453. After receipt of the Secretary of State's certificate of filing, the executive officer of the commission shall record the following with the county recorder of each county in which all or any part of said district is located:

(a) A counterpart original of the executive officer's certificate of completion; and

(b) A counterpart original of the Secretary of State's certificate of filing.

After recordation of the executive officer's certificate of completion, the recorder shall file with the county surveyor a copy of the boundary description included in the certificate of completion as provided by subdivision (c) of Section 56451.

SEC. 10. Section 56457 of the Government Code is amended to read:

56457. The executive officer of the commission shall also make such filings as may be provided for by Chapter 8 (commencing at Section 54900) of Part 1, Division 2, Title 5, and for such purpose a change of organization or reorganization shall be deemed to be effective from the date of filing of the certificate of completion with the Secretary of State.

CHAPTER 957

An act to authorize the disposition of a specified parcel of real property by the Director of General Services, relating to state lands.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. The Director of General Services, with the approval of the State Public Works Board, is hereby authorized to sell to the County of Yuba, at one-half of fair market value subject to the provisions of Section 11011.1 of the Government Code, Brownsville Forestry Station, and such property is hereby declared surplus to the needs of the state.

SEC. 2. As to any property sold pursuant to Section 1 of this act, the Director of General Services shall except and reserve to the state all mineral deposits, as defined in Section 6407 of the Public Resources Code.

CHAPTER 958

An act relating to a study of the development of the geothermal resources of the state.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature to create a state task force to study all aspects of the development of the geothermal resources of the state and to report thereon to the Legislature and Governor, together with recommendations thereon, in accordance with the provisions of this act. The task force shall meet and organize itself at such time and place as shall be determined by the Secretary of the Resources Agency. The task force shall consist of representatives designated by the following agencies:

(1) The Resources Agency.

(2) The State Lands Commission.

(3) The Division of Oil and Gas of the Department of Conservation.

(4) The State Energy Resources Conservation and Development Commission.

(5) The Office of Planning and Research.

(6) The Public Utilities Commission.

(7) The Department of Water Resources.

(8) The Department of Fish and Game.

(9) State Water Resources Control Board.

(10) Two Members of the Senate representing different political parties and appointed by the Senate Rules Committee.

(11) Two Members of the Assembly representing different political parties and appointed by the Speaker of the Assembly.

The Members of the Legislature appointed to the state task force shall meet with and participate in the work of such task force to the extent that such participation is not incompatible with their positions as Members of the Legislature. For the purposes of this act, such Members of the Legislature shall constitute a joint investigating committee on the subject of this act, and shall have the powers and duties imposed on such committees by the Joint Rules of the Senate and Assembly.

SEC. 2. The task force shall include three members of the public appointed by the Governor, who shall serve without compensation. The task force may commence its work prior to the appointment of such public members. The task force shall conduct the study and submit the report required by this act regardless of whether such

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public members have been appointed to the task force.

SEC. 3. The task force in its study of the development of geothermal resources shall specifically direct itself to the following questions:

(1) What is the extent of geothermal resources in the State of California and what is the nature and location of such resources?

(2) Is it possible under existing technology to locate and map geothermal fields and have such fields been located and mapped in California? Should there be continued exploration for such resources?

(3) What are the best methods of developing geothermal resources? Is it possible, practical, or desirable to formulate a plan of development for each field? Should state or local agencies, or both, play a part in the development of such plans?

(4) Are business concerns involved in the exploration, development, refinement, use, or sale of petroleum, coal, or electrical energy currently involved in the development of geothermal resources in the State of California, and, if so, to what extent? Do such interests own land or the rights to exploit geothermal resources in areas of known geothermal resources? If so, can such interests be identified and can the extent of such ownership interests be determined?

(5) What would the task force recommend, if anything, to encourage the development and harnessing of geothermal resources and specifically to attract capital for the development of such resources? Should the State of California play a role in insuring that such capital is attracted, and if so, in what way?

(6) What are the major current problems in the development of geothermal energy?

(7) Is the State of California, or any of its agencies, aware of any and all methods utilized for the development and harnessing of geothermal energy? If so, what are such methods and, if not, should the state develop methods or enact provisions of law whereby the state can be kept informed?

(8) Are business concerns involved in the development or harnessing of geothermal resources proceeding with all due speed considering the state of existing technology and economic constraints?

(9) Are there areas of the law which should be revised to speed up such progress?

(10) Would it be in the interest of the State of California to acquire geothermal leases?

(11) Would it be in the interest of the State of California to enter into the development of geothermal resources?

(12) Would it be in the interest of the State of California to impose conditions upon the leasing of geothermal resources in the future?

(13) Would it be in the interest of the State of California to establish rules, regulations and guidelines, and time limits for the development of geothermal resources or certain geothermal fields in

the State of California?

(14) In regard to questions 10 to 13, inclusive, what specific recommendations does the task force have?

(15) Are there environmental considerations in the development of geothermal resources and, if so, what are they and what are the most feasible methods of insuring that geothermal resources are developed with the least possible impact upon the ecosystem, and how might unavoidable impacts be mitigated or compensated?

(16) Should the Public Utilities Commission be required to mandate public utilities to utilize geothermal resources for the production of electrical energy in any instances? If so, under what terms and conditions and under what guidelines?

SEC. 4. The Resources Agency, in conjunction with the Office of Planning and Research, shall furnish the task force with such staff or other assistance as may be necessary to the accomplishment of its purposes.

SEC. 5. The Secretary of the Resources Agency and the Director of the Office of Planning and Research shall transmit the final report of the task force, including its specific responses to the matters set forth in Section 3, to the Legislature and the Governor not later than July 1, 1977.

SEC. 6. The existence of the task force shall terminate six months after transmittal of its final report.

CHAPTER 959

An act to amend Sections 72190 and 72401 of the Government Code, relating to courts.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 72190 of the Government Code is amended to read:

72190. Within the jurisdiction of the court and under the direction of the judges, commissioners of municipal courts shall exercise all the powers and perform all of the duties authorized by law to be performed by commissioners of superior courts and such additional powers and duties as may be prescribed by law. At the direction of the judges, commissioners may have the same jurisdiction and exercise the same powers and duties as the judges of the court with respect to any infraction. The commissioners of municipal courts shall possess the same qualifications the law requires of a judge and shall hold office during the pleasure of the court appointing them and shall not engage in the private practice of law. They shall be ex officio deputy clerks.

Notwithstanding any other provision of law, a commissioner of a municipal court of any judicial district in any county with a population of 3,000,000 or more who has been duly appointed and has thereafter been retired for service, may be assigned by the presiding judge of a court to serve as a court commissioner of the court for such periods of time as he is needed for the prompt and efficient discharge of the business of that court. While so serving, he shall be paid the full compensation of a court commissioner, payable as follows: He shall continue to receive his retirement allowance, and in addition the county shall pay him the amount equal to the difference between such retirement allowance and such full compensation. Such employment shall not operate to reinstate him as a member of the county retirement system or to terminate or suspend his retirement rights or allowance, and no deductions shall be made from his compensation as contributions to the retirement system.

SEC. 2. Section 72401 of the Government Code is amended to read:

72401. At the direction of the court the traffic referee may do any of the following:

(a) With respect to any misdemeanor violation of the Vehicle Code he may fix the amount of bail, grant continuances, arraign the defendant, hear and recommend orders to be made on demurrers and motions other than for continuances, take pleas and set cases for hearing or trial.

(b) With respect to any misdemeanor violation falling within the provisions of subdivision (b) of Section 42001 of the Vehicle Code he may perform any of the duties set forth in subdivision (a) of this section and in addition he may impose a fine following a plea of guilty or nolo contendere not to exceed the bail provided for that offense in the county bail schedule adopted pursuant to subdivision (c) of Section 1269b of the Penal Code and he may order that payment of the fine or any portion thereof be suspended but may not impose express conditions of probation. He may also order the defendant to attend a school for traffic violators pursuant to the provisions of Section 42005 of the Vehicle Code.

(c) With respect to any infraction, he may have the same jurisdiction and exercise the same powers and duties as a judge of the court.

SEC. 3. The Legislature finds and declares that the duties which municipal court commissioners and traffic referees are authorized to perform pursuant to this act are subordinate judicial duties within the meaning of Section 22 of Article VI of the California Constitution.

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CHAPTER 960

An act to add Part 3.5 (commencing with Section 1823) to the Code of Civil Procedure, relating to procedure in civil cases.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Part 3.5 (commencing with Section 1823) is added to the Code of Civil Procedure, to read:

PART 3.5. OF ALTERNATIVE PROCEDURES

TITLE 1. PILOT PROJECTS

1823. The Legislature finds and declares that the costs of civil litigation have risen sharply in recent years. This increase in litigation costs makes it more difficult to enforce smaller claims even though the claim is valid or makes it economically disadvantageous to defend against an invalid claim.

The Legislature further finds and declares that the development of simplified procedures to reduce the expense of litigation is inhibited by the absence from present law of methods for experimentation with procedural innovations to reduce expense. Hence, it has not been possible to adopt the usual management technique of a trial pilot program on a small scale of changed methods of operation with the expectation that experience with the pilot program will permit its permanent adoption in its designed form or with modification as experience dictates.

The Legislature further finds and declares that there is a compelling state interest in the development of pleading, pretrial and trial procedures which will reduce the expense of litigation to the litigants and there is likewise a compelling state interest in experimentation on a small scale with new procedures to accomplish that result before those procedures are adopted statewide. Therefore, the provisions of this part are added to this code to provide a means of experimentation with procedural innovations to reduce the cost of civil litigation.

1823.1. The Judicial Council shall conduct in two superior courts, or branches thereof, in any county in which the population exceeds 260,000, as determined by the 1970 federal census, and two municipal courts, or branches thereof, in any county in which the population exceeds 260,000, as determined by the 1970 federal census, selected by the Judicial Council with the approval of a majority of the judges of the selected courts, a pilot project for a period of three years.

1823.2. Within the pilot project municipal courts, all civil actions other than small claims actions shall be filed, heard and determined

as provided in this chapter, except that any action may be withdrawn from the provisions of this chapter by order of the court for good cause, either upon motion by any party or upon the court's own motion.

1823.3. Within the pilot project superior courts, all civil actions in which the amount in controversy does not exceed $25,000, except eminent domain actions, shall be filed, heard and determined as provided in this chapter, except that any action irrespective of the amount in controversy may be withdrawn from the provisions of this chapter by order of the court for good cause, either upon motion of any party or upon the court's own motion. The Judicial Council shall provide by rule for determining the amount in controversy for the purposes of this section.

1823.4. Notwithstanding any other provision of law, including this chapter, the Judicial Council shall provide by rule for the procedures to be followed in the pilot project courts and the rules of procedure for pilot project superior courts shall provide for such methods of pretrial discovery as are consistent with the objectives of this part. Unless otherwise prescribed by Judicial Council rules, Sections 1824 to 1826.14, inclusive, shall not be applicable to pilot project superior courts. Initially the Judicial Council rules in the pilot project municipal courts shall not be inconsistent with the provisions of this chapter. Thereafter, the Judicial Council may adopt rules which change or modify the provisions of this chapter to implement new or modified procedures for the conduct of the pilot project.

1823.5. Except where changed or modified by the provisions of this chapter, including rules adopted by the Judicial Council pursuant to this chapter, all provisions of law applicable to civil actions generally shall apply to the processing of civil actions in the pilot project courts.

1823.6. The Judicial Council shall develop procedures for the collection and evaluation of data to determine the cost effect of simplified procedures conducted pursuant to this chapter.

1823.7. Pursuant to Section 68501 of the Government Code, the Chairman of the Judicial Council may appoint an advisory committee to advise the Judicial Council regarding the conduct of the pilot projects. Staff assistance to the advisory committee shall be provided by the Judicial Council.

1824. (a) The pleadings shall consist of a complaint filed by the plaintiff, an answer filed by the defendant, and a cross-claim filed by the defendant at his election.

(b) Motions shall be in the form generally provided in the this code.

1824.1. (a) No technical forms of a pleading are required. Each allegation of a pleading shall be simple, concise, and direct.

(b) A pleading which sets forth a claim for relief, whether as a complaint or cross-claim, shall contain a short and plain statement of the occurrence or transaction upon which it is based showing that the pleader is entitled to relief and a demand for judgment for the relief

to which he deems himself entitled. Claims may be pleaded alternatively or inconsistently.

(c) An answer shall state in short and plain terms defenses to each claim asserted and shall admit or deny the allegations upon which the adverse party relies. A denial may be for lack of information or belief. Affirmative defenses must be affirmatively pleaded in short and plain terms in an answer.

(d) Allegations in a pleading to which a responsive pleading is required are deemed admitted if not denied.

(e) All pleadings shall be construed to do substantial justice. If fraud or mistake is alleged as the basis of a claim or defense, the circumstances of the fraud or mistake shall be stated with particularity.

1825. No discovery shall be permitted.

1825.1. (a) Each party shall file with the court a statement of witnesses and physical evidence within 45 days after the date the case is at issue.

(b) The statement shall include the names and addresses of witnesses the party intends to call and a description of the physical and documentary evidence the party intends to produce with copies of the documents the party intends to rely upon at trial. A party is not required to identify witnesses, physical evidence, or documents which he will use only for impeachment.

1825.2. The court shall hold statements filed with it under seal until it has received the statements of all parties to the action or the time for filing statements has expired. The court then shall contemporaneously transmit copies of the statements to the adverse parties.

1825.3. At trial a party may call as witnesses only those persons disclosed by him and introduce only physical evidence and documents identified in the statement, except where relief is granted for any of the causes specified in Section 473. If relief from a statement is granted, the adverse party shall be entitled to a continuance to meet the new evidence. Production of evidence for impeachment is not limited.

1825.4. Pretrial conferences are not required; however, counsel shall be encouraged to communicate personally or by telephone in an effort to narrow the issues prior to trial or to resolve the disputes.

1825.5. No demurrer or pretrial motion shall be used or permitted, except as follows:

(a) One motion may be made by the defendant to dismiss the action on the ground of a jurisdictional defect or on the ground that the complaint does not give notice of a claim upon which relief can be granted.

(b) Motions may be made for a continuance of the action for good cause.

(c) A motion may be made to withdraw the action from the controls of the procedure under this title for good cause.

(d) One motion may be made by each party for summary

judgment or partial summary judgment.

(e) Motions for change of venue.

1826. If possible, the date for trial shall be set within 20 days from the date the court distributes the statement of witnesses and physical evidence in accordance with Section 1825.2.

1826.1. Where a jury is demanded, and the case is tried to a jury, the trial shall not be conducted in accordance with this part, but shall be conducted in accordance with the procedures established in this code other than in this part. Where a jury is waived, the trial shall be conducted as set forth in Section 1826.2 to 1826.14, inclusive.

1826.2. An opening statement to the court by counsel for the parties shall be permitted in the manner and for the duration determined in the discretion of the court.

1826.3. Trial briefs shall be permitted, but shall not be required.

1826.4. The counsel for the parties and the trial judge may interrogate the parties and witnesses. Narrative testimony shall be permitted.

1826.5. The trial judge shall have the discretion to determine the order in which the evidence is introduced and the trial is conducted.

1826.6. Written submissions of direct testimony shall be permitted if the court determines that such submissions will result in a saving of time for the court and counsel.

1826.7. Upon agreement of the parties and with consent of the court, proceedings under this title may be recorded by video tape, electronic recording, or court reporters.

1826.8. No privileged information shall be admissible, except as provided in Division 8 (commencing with Section 900) of the Evidence Code. Subject to the provisions of Section 352 of the Evidence Code, all other evidence relevant to the action shall be admissible. The trial judge shall determine the weight to be accorded any admissible evidence.

1826.9. The trial judge, in his discretion, may permit a pleading to be amended to conform to proof.

1826.10. Closing arguments by counsel shall be permitted in the manner and for the duration determined in the discretion of the court.

1826.11. Findings of fact or conclusions of law shall not be required or made. Upon request of any party to the action, the court shall issue a brief explanation of its decision either orally or in writing.

1826.12. Any motion which may be made after trial in the court pursuant to law may be made in any action tried pursuant to this title.

1826.13. The effect of a judgment or final order, in respect to the matter or matters directly adjudged, is conclusive between the parties and their successors in interest but shall not operate as collateral estoppel of a party in other litigation with a person who was not a party to the action in which the judgment or order is rendered.

1826.14. Any party shall have the right to appeal any judgment or final order consistent with the law governing such appeals.

1833. The Judicial Council shall conduct a study of the effects of

the pilot project and shall make an annual report of its findings to the Legislature.

1833.1. The provisions of this title *shall* be implemented by the Judicial Council only when and to the extent that funds are made available to implement the pilot project and the study set forth in Section 1833.

1833.2. The provisions of this part shall become operative no later than January 1, 1978, and shall apply to cases filed on or after the operative date.

CHAPTER 961

An act to amend Sections 7630, 7686.5, 7703, 7735, 7736 and 7737 of the Business and Professions Code, relating to funeral directors.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 7630 of the Business and Professions Code is amended to read:

7630. A funeral director's license may be assigned upon payment of the fee fixed by this chapter and, if the assignee does not already possess a license as a funeral director, upon his meeting the qualifications for a funeral director as prescribed by this code. Prior to a funeral director's license being assigned, an audit shall be conducted of the firms' preneed trust funds and any shortages in such funds shall be funded.

The assignee has the right to renew the license.

SEC. 2. Section 7686.5 of the Business and Professions Code is amended to read:

7686.5. All accusations against licensees shall be filed with the board within two years after the performance of the act or omission alleged as the ground for disciplinary action; provided, however, that the foregoing provision shall not constitute a defense to an accusation alleging fraud or misrepresentation as a ground for disciplinary action. The cause for disciplinary action in such case shall not be deemed to have accrued until discovery, by the board, of the facts constituting the fraud or misrepresentation, and, in such case, the accusation shall be filed within three years after such discovery.

SEC. 3. Section 7703 of the Business and Professions Code is amended to read:

7703. Violation of any of the provisions of this chapter or of the rules and regulations adopted pursuant to this chapter constitutes a ground for disciplinary action.

SEC. 4. Section 7735 of the Business and Professions Code is amended to read:

7735. No funeral director licensed under the laws of the State of California, his agents or employees, shall enter into or solicit any preneed arrangement, contract or plan, hereinafter referred to as "contract", requiring the payment to said licensee of money or the delivery to him of securities to pay for the final disposition of a dead human body or for funeral services or for the furnishing of personal property or funeral merchandise, wherein the use or delivery of said services, property or merchandise is not immediately required, unless said contract requires that all money paid directly or indirectly and all securities delivered under such agreement or under any agreement collateral thereto, shall be held in trust for the purpose for which it was paid or delivered until the contract is fulfilled according to its terms; provided, however, that any payment made or securities deposited pursuant to this article shall be released upon the death of the person for whose benefit such trust was established as provided in Section 7737. The income from the corpus may be utilized to pay for a reasonable annual fee for administering the trust, including a trustee fee, to be determined by the board, and to establish a reserve of not to exceed 10 percent of the corpus as a revocation fee in the event of cancellation on the part of the beneficiary.

None of the trust corpus shall be used for payment of any commission nor shall any of the trust corpus be used for other expenses of trust administration.

SEC. 5. Section 7736 of the Business and Professions Code is amended to read:

7736. For the purposes of this article the term "trustee" shall mean any banking institution or trust company legally authorized and empowered by the State of California to act as trustee in the handling of trust funds or not less than three persons one of whom may be an employee of the funeral director; the word "trustor" shall mean any person who pays the money or deposits the securities used for such preneed arrangements; the term "beneficiary" shall be the person for whom the funeral services are arranged; the words "corpus of the trust" shall include all moneys paid and securities delivered pursuant to the provisions of the article.

SEC. 6. Section 7737 of the Business and Professions Code is amended to read:

7737. All securities purchased by the trustor for deposit in trust and all money received from the trustor for deposit in trust shall be placed in trust with a trustee within 30 days of their receipt by the funeral director pursuant to a trust agreement executed by the funeral director, the trustor and trustee which shall provide that the trustee shall hold the money or securities in trust for the purposes for which deposited and that the trustee, upon the signature of a majority of such trustees, shall deliver the corpus of the trust to the funeral director upon the filing of a certified copy of the death certificate or other satisfactory evidence of the death of the beneficiary, together with satisfactory evidence that the funeral

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director has furnished the merchandise and services, provided, however, that (1) in the case of a trust agreement between any of the trustees set forth in Section 7736 and a recipient of public assistance, under the provisions of subdivision (a) of Section 11158 of the Welfare and Institutions Code, such trust agreement may further provide that it is irrevocable, and (2) in all other cases such trust agreement shall further provide that at any time before the funeral director has furnished the merchandise and services provided for in such contract the trustor or the legally appointed representative may in writing demand and receive the return of the corpus of the trust, together with any income accrued in the trust, less the revocation fee provided for in Section 7735; provided, however, that if and when the trustor becomes otherwise eligible, or in order to become eligible, for public social services, as provided in Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, he may agree, at his option, that the trust shall be irrevocable in order to avail himself of the provisions of Section 11158 of the Welfare and Institutions Code. The delivery of the corpus of the trust and the accumulated income to the funeral director performing the services, trustor or beneficiary pursuant to the terms of this article and the trust agreement herein referred to, shall relieve the trustee of any further liabilities with regard to such funds or income therefrom.

CHAPTER 962

An act to amend Section 4202.5 of, and to repeal and add Article 3 (commencing with Section 4300) of Chapter 2 of Division 4 of, the Welfare and Institutions Code, relating to state hospitals.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 4202.5 of the Welfare and Institutions Code is amended to read:

4202.5. (a) The chairman of a hospital advisory board advising a hospital for the mentally disordered shall meet annually with the hospital director, the community mental health directors, and the chairmen of the mental health advisory boards representing counties within the hospital's designated service area.

(b) The chairman of a hospital advisory board advising a hospital for the developmentally disabled shall meet annually with the hospital director, the regional center directors, and the area board chairmen representing areas within the hospital's service area, as defined in Division 25 (commencing with Section 38000) of the Health and Safety Code.

(c) The chairmen shall be allowed necessary expenses incurred in

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attending such meetings.

(d) It is the intent of the Legislature that the department assist the development of annual regional meetings required by this section.

SEC. 2. Article 3 (commencing with Section 4300) of Chapter 2 of Division 4 of the Welfare and Institutions Code is repealed.

SEC. 3. Article 3 (commencing with Section 4300) is added to Chapter 2 of Division 4 of the Welfare and Institutions Code, to read:

Article 3. Officers and Employees

4300. As used in this article, "officers" of a state hospital means:

(a) Clinical director.

(b) Hospital administrator.

(c) Hospital director.

4301. The Director of Health shall appoint and define the duties, subject to the laws governing civil service, of the clinical director and the hospital administrator for each state hospital. The director shall appoint either the clinical director or the hospital administrator to be the hospital director.

The director shall appoint a program director for each program at a state hospital. In each hospital for the developmentally disabled, where the clinical director is not a licensed physician, the director shall appoint a medical program director.

4302. The Director of the State Department of Health shall have the final authority for determining all other employee needs after consideration of program requests from the various hospitals.

4303. Salaries of resident and other officers and wages of employees shall be included in the budget estimates of, and paid in the same manner as other expenses of, the state hospitals.

4304. The primary purpose of a state hospital is the medical and nursing care of patients who are mentally disordered or developmentally disabled. The efforts and direction of the officers and employees of each state hospital shall be directed to this end.

4305. Subject to the rules and regulations established by the department, and under the supervision of the hospital director when the hospital director is the hospital administrator, the clinical director of each state hospital shall be responsible for the planning, development, direction, management, supervision, and evaluation of all patient services, and of the supervision of research and clinical training. In each hospital for the developmentally disabled, where the clinical director is not a licensed physician, the medical program director shall, under the general supervision of the clinical director, be responsible for the planning, development, and supervision of all medical services for patients in the hospital.

4306. Subject to the rules and regulations established by the department, under the supervision of the hospital director when the hospital director is the clinical director, the hospital administrator shall be responsible for the planning, development, direction,

management and supervision of all administrative and supportive services in the hospital facility. Such services include, but are not limited to:

(1) All administrative functions such as personnel, accounting, budgeting, and patients' accounts.

(2) All life-support functions such as food services, facility maintenance and patient supplies.

(3) All other business and security functions.

It shall be the responsibility of the hospital administrator to provide support services, as specified in this section, within available resources, to all hospital treatment programs.

4307. The hospital director is the chief executive officer of the hospital and is responsible for all hospital operations. If the hospital director is the clinical director, then the hospital administrator is responsible to him; if the hospital director is the hospital administrator, then the clinical director is responsible to him.

4308. As often as a vacancy occurs in a hospital under the jurisdiction of the Director of Health, he shall appoint, as provided in Section 4301, a clinical director, a hospital administrator, a hospital director, a medical program director, and program directors.

A hospital administrator shall be a college graduate preferably with an advanced degree in hospital, business or public administration and shall have had experience in this area. He shall receive a salary which is competitive with other private and public mental hospital administrators.

A clinical director for a state hospital for the mentally disordered shall be a physician who has passed, or shall pass, an examination for a license to practice medicine in California and shall be a qualified specialist in a branch of medicine that includes diseases affecting the brain and nervous system. A clinical director for a state hospital for the developmentally disabled shall be a person who is a physician, psychologist, registered nurse, clinical social worker, physical therapist or psychiatric technician, and licensed as such pursuant to the Business and Professions Code. The clinical director for any state hospital shall be well qualified by training or experience to have proven skills in mental hospital program administration.

The hospital director shall be either the hospital administrator or the clinical director. He shall be selected based on his overall knowledge of the hospital, its programs, and its relationship to its community, and on his demonstrated abilities to administer a large facility.

The standards for the professional qualifications of a program director shall be established by the Director of Health for each patient program. The director shall not adopt any regulations which prohibit a licensed psychiatrist, psychologist, psychiatric technician, or clinical social worker from employment in a patient program in any professional, administrative, or technical position; provided, however, that the program director of a medical-surgical unit shall be a licensed physician.

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If the program director is not a physician, a physician shall be available to assume responsibility for all those acts of diagnosis, treatment, or prescribing or ordering of drugs which may only be performed by a licensed physician.

A medical program director for a state hospital for the developmentally disabled shall be a physician who has passed, or shall pass, an examination for a license to practice medicine in California and who shall be a qualified specialist in a branch of medicine which includes diseases affecting the brain and nervous system, and the care, treatment, and habilitation of the developmentally disabled.

4309. The hospital director is responsible for the overall management of the hospital. In his absence one of the other hospital officers or in the absence of both officers a program director shall be designated to perform his duties and assume his responsibilities.

4310. At the request of one or more employees of any institution within the department, the department may, at its option, provide, within the grounds of the institution, meals and subsistence for employees who do not reside within the institution, or living facilities, meals and subsistence for employees who reside within the institution. The department may make a reasonable charge for all facilities taken by or furnished to employees, to be determined by the State Board of Control, and to be deducted from the salary of the employee. No employee shall be compelled to eat his meals at the institution, nor shall he be charged for meals or facilities not furnished to or taken by him. No employee shall be discriminated against in any manner whatsoever because he elects to eat his meals outside the institution grounds.

The provisions of this section apply only to those employees who are not officers and who receive gross salaries as specified by the salary scales of the State Personnel Board, and do not apply to those employees who are officers of an institution or who receive a cash salary plus maintenance for self and family as provided by the salary scales of the State Personnel Board.

4311. The hospital administrator shall be responsible for preserving the peace in the hospital buildings and grounds and may arrest or cause the arrest and appearance before the nearest magistrate for examination, of all persons who attempt to commit or have committed a public offense thereon.

4312. The hospital director may establish rules and regulations not inconsistent with law or departmental regulations, concerning the care and treatment of patients, research, clinical training, and for the government of the hospital buildings and grounds. Any person who knowingly or willfully violates such rules and regulations may, upon the order of either of the hospital officers, be ejected from the buildings and premises of the hospital.

4313. The hospital administrator of each state hospital may designate, in writing, as a police officer, one or more of the bona fide employees of the hospital. The hospital administrator and each such

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police officer have the powers and authority conferred by law upon peace officers listed in Section 830.4 of the Penal Code. Such police officers shall receive no compensation as such and the additional duties arising therefrom shall become a part of the duties of their regular positions. When and as directed by the hospital administrator, such police officers shall enforce the rules and regulations of the hospital, preserve peace and order on the premises thereof, and protect and preserve the property of the state.

4314. The Director of Health may set aside and designate any space on the grounds of any of the institutions under the jurisdiction of the department that is not needed for other authorized purposes, to enable such institution to establish and maintain therein a store or canteen for the sale to or for the benefit of patients of the institution of candies, cigarettes, sundries and other articles. The stores shall be conducted subject to the rules and regulations of the department and the rental, utility and service charges shall be fixed as will reimburse the institutions for the cost thereof. The stores when conducted under the direction of a hospital administrator shall be operated on a nonprofit basis but any profits derived shall be deposited in the benefit fund of each such institution as set forth in Section 4125.

Before any store is authorized or established, the Director of Health shall first determine that such facilities are not being furnished adequately by private enterprise in the community where it is proposed to locate the store, and may hold public hearings or cause surveys to be made, to determine the same.

The Director of Health may rent such space to private individuals, for the maintenance of a store or canteen at any of the said institutions upon such terms and subject to such regulations as are approved by the Department of General Services, in accordance with the provisions of Section 13109 of the Government Code. The terms imposed shall provide that the rental, utility and service charges to be paid shall be fixed so as to reimburse the institution for the cost thereof and any additional charges required to be paid shall be deposited in the benefit fund of such institution as set forth in Section 4125.

4315. Wherever the term "superintendent", "medical superintendent", or "superintendent or medical director" appears, the term shall be deemed to mean clinical director, except in Sections 4110, 4126, 4127, 4129, 7281, and 7289, where the term shall be deemed to mean hospital administrator.

Wherever the term "medical director" appears, the term shall be deemed to mean clinical director.

4316. Subject to rules and regulations adopted by the department, the hospital director may establish a sheltered workshop at a state hospital to provide patients with remunerative work performed in a setting which simulates that of industry and is performed in such a manner as to meet standards of industrial quality. The workshop shall be so operated as to provide the treatment staff with a realistic atmosphere for assessing patients'

capabilities in work settings, and to provide opportunities to strengthen and expand patient interests and aptitudes.

4317. At each state hospital at which there is established a sheltered workshop, there shall be a sheltered workshop fund administered by the clinical director. The fund shall be used for the purchase of materials, for the purchase or rental of equipment needed in the manufacturing, fabricating, or assembly of products, for the payment of remuneration to patients engaged in work at the workshop, and for the payment of such other costs of the operation of the workshop as may be directed by the medical director. The clinical director may cause the raw materials, goods in process, finished products, and equipment necessary for the production thereof to be insured against any and all risks of loss, subject to the approval of the Department of General Services. The costs of such insurance shall be paid from the sheltered workshop fund.

All money received from the manufacture, fabrication, assembly, or distribution of products at any state hospital sheltered workshop shall be deposited and credited to the hospital's sheltered workshop fund.

4318. Each state hospital shall, prior to the discharge of any patient who was placed in the facility under a county Short-Doyle plan, prepare a written recommended aftercare plan which shall be transmitted to the local director of mental health services in the county of the patient's placement.

Notwithstanding any other provision of law, such aftercare plan shall specify the following:

(a) Diagnoses;
(b) Treatment initiated;
(c) Medications and their dosage schedules;
(d) Date of discharge;
(e) Location of community placement;
(f) Plan for continuing treatment; and
(g) List of referrals indicated, including, but not limited to:
(1) Public social services.
(2) Legal aid.
(3) Educational services.
(4) Vocational services.
(5) Medical treatment other than mental health services.

CHAPTER 963

An act to amend Sections 142.3, 142.5, 144.6, and 6317 of the Labor Code, relating to occupational safety and health.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 142.3 of the Labor Code is amended to read:

142.3. (a) The board, by an affirmative vote of at least four members, may adopt, amend or repeal occupational safety and health standards and orders. The board shall be the only agency in the state authorized to adopt occupational safety and health standards. The board shall adopt standards at least as effective as the federal standards for all issues for which federal standards have been promulgated under Section 6 of the Occupational Safety and Health Act of 1970 (P.L. 91-596) within six months of the effective date of the federal standards and which, when applicable to products which are distributed or used in interstate commerce, are required by compelling local conditions and do not unduly burden interstate commerce.

(b) Any standard or order promulgated under this section shall prescribe the use of labels or other appropriate forms of warning as are necessary to ensure that employees are apprised of all hazards to which they are exposed, relevant symptoms and appropriate emergency treatment, and proper conditions and precautions for safe use or exposure. Where appropriate, such standards or orders shall also prescribe suitable protective equipment and control or technological procedures to be used in connection with such hazards and shall provide for monitoring or measuring employee exposure at such locations and intervals and in such manner as may be necessary for the protection of employees. In addition, where appropriate, any such standard or order shall prescribe the type and frequency of medical examinations or other tests which shall be made available, by the employer or at his cost, to employees exposed to such hazards in order to most effectively determine whether the health of such employee is adversely affected by such exposure.

(c) The results of such examinations or tests shall be furnished only to the Division of Industrial Safety, the State Department of Health, any other authorized state agency, the employer, the employee, and, at the request of the employee, to his physician.

SEC. 2. Section 142.5 of the Labor Code is amended to read:

142.5. Upon the fixing of a time and place for a hearing to consider the adoption, amendment, or repeal of an occupational safety and health standard or order, the board shall publish, at least 30 calendar days prior to each meeting, a notice of such hearing in one or more daily newspapers of general circulation published and circulated in San Francisco and in one or more daily newspapers of general circulation published and circulated in the County of Los Angeles. No defect or inaccuracy in such notice or in the publication thereof invalidates any standard or order issued by the board after a hearing.

SEC. 3. Section 144.6 of the Labor Code is amended to read:

144.6. In promulgating standards dealing with toxic materials or harmful physical agents, the board shall adopt that standard which most adequately assures, to the extent feasible, that no employee will

suffer material impairment of health or functional capacity even if such employee has regular exposure to a hazard regulated by such standard for the period of his working life. Development of standards under this section shall be based upon research, demonstrations, experiments, and such other information as may be appropriate. In addition to the attainment of the highest degree of health and safety protection for the employee, other considerations shall be the latest available scientific data in the field, the reasonableness of the standards, and experience gained under this and other health and safety laws. Whenever practicable, the standard promulgated shall be expressed in terms of objective criteria and of the performance desired.

SEC. 4. Section 6317 of the Labor Code is amended to read:

6317. If, upon inspection or investigation, the division believes that an employer has violated any standard, rule, order, or regulation established pursuant to Chapter 6 (commencing with Section 140) of Division 1, or any standard, rule, order, or regulation established pursuant to this part, it shall with reasonable promptness issue a citation to the employer. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the code, standard, rule, regulation, or order alleged to have been violated. In addition, the citation shall fix a reasonable time for the abatement of the alleged violation. The period specified for abatement shall not commence running until the date the citation or notice is received by certified mail and the certified mail receipt is signed, or if not signed, the date the return is made to the post office. If the division officially and directly delivers the citation or notice to the employer, the period specified for abatement shall commence running on the date of such delivery.

In the event the violations found in an inspection or investigation do not have a direct relationship upon the health or safety of an employee a "notice" in lieu of citation may be issued with respect to such de minimus violations. The director shall prescribe guidelines for the issuance of such notices.

The division may impose a civil penalty against an employer as specified in Chapter 4 (commencing with Section 6423) of this part.

No citation or notice shall be issued by the division for a given violation or violations after six months have elapsed since occurrence of the violation.

The director shall prescribe procedures for the issuance of a citation or notice.

The division shall prepare and maintain records capable of supplying an inspector with previous citations and notices issued to an employer.

CHAPTER 964

An act to add Division 7 (commencing with Section 18000) to, and to repeal Division 7 (commencing with Section 18000) of, the Financial Code, relating to industrial loan companies.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Division 7 (commencing with Section 18000) of the Financial Code is repealed.

SEC. 2. Division 7 (commencing with Section 18000) is added to the Financial Code, to read:

DIVISION 7. INDUSTRIAL LOAN COMPANIES

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

18000. This division shall be known and may be cited as the "Industrial Loan Law".

18001. The definitions given in this article govern the construction of this division unless the context otherwise requires.

18002. "Commissioner" means the Commissioner of Corporations of the State of California.

18003. "Industrial loan company" or "company" means any corporation which in the regular course of business loans money and issues its own choses in action under the provisions of this division.

18004. "Borrower" means the person receiving the proceeds or benefits of a loan.

18005. "Consumer loan or consumer obligation" means a loan made to, or an obligation incurred by, a natural person in which the money loaned, or the property delivered or service rendered under the obligation is primarily for personal, family, or household purposes.

18006. "Primarily secured by real property", as used in this division, means the fair market value of the real property less prior encumbrances, at the time the loan is made or other obligation is acquired, is more than 50 percent of the principal amount owing on the loan or obligation.

18007. "Charges", as used in this division, include the aggregate interest, fees, bonuses, commissions, brokerage, discounts, expenses, and other forms of costs charged, contracted for, or received by an industrial loan company or any other person in connection with the investigating, arranging, negotiating, procuring, guaranteeing, making, servicing, collecting, or enforcing of a loan, or for

forbearance of money, credit, goods, things in action, or any other service or services rendered.

18008. "Charges" also include any profit or advantage of any kind that any person may contract for, collect, receive, or in any manner obtain by a collateral sale, purchase, or agreement, in connection with the negotiating, arranging, making, or otherwise in connection with any loan, except commissions received on insurance sold as provided in this division.

18009. "Principal amount", as used in this division, means the net amount of money, credit, goods, or things in action received by the debtor or borrower or disbursed on the borrower's instructions at the time of entering into the transaction.

18010. "Principal balance", as used in this division, means the unpaid balance of a loan or other obligation exclusive of any unearned precomputed charges.

18011. "Affiliated company", as used in this division, is a company under substantially the same management or control, directly or indirectly, as the industrial loan company.

18012. "Corporate Securities Law" means the Corporate Securities Law of 1968, Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code.

Article 2. General Provisions

18020. An industrial loan company shall not appoint or continue in office any officer, director or management personnel who do not have the qualifications required by Section 18117(d).

18021. An industrial loan company shall not deposit its funds except with a bank, trust company or savings and loan association authorized to do business in this state which has been approved by a majority vote of the board of directors or the executive committee, exclusive of the vote of any director who is an officer, director, trustee or shareholder of the depository so designated.

18022. No industrial loan company shall invest any of its funds, except as authorized in this division. Companies may invest their funds in such investments as are legal investments for commercial banks, or in the choses in action issued by any other industrial loan company.

18023. (a) If an industrial loan company was formed prior to June 1, 1965, and such company has investment or thrift certificates outstanding, then such company shall not borrow, except by the sale of investment or thrift certificates, in an amount in excess of 150 percent of the amount represented by its outstanding capital stock, surplus and undivided profits, without the written consent of the commissioner.

(b) If an industrial loan company was formed on or after June 1, 1965, then such company shall not borrow, except by the sale of investment or thrift certificates, in an amount in excess of 150 percent of the amount represented by its outstanding capital stock,

surplus and undivided profits.

18024. An industrial loan company shall not transact business or make any loan provided for by this division under any other name than that set forth in the articles of incorporation as filed with the commissioner.

18025. A holding company or any other device may not be used by an industrial loan company for the purpose of evading or avoiding any of the provisions of this division. This section shall not affect the right of a holding company to issue preferred stock or debentures when permitted to do so under the Corporate Securities Law of 1968.

18026. Corporations subject to this division are subject to the provisions and regulations of the Corporate Securities Law of 1968; provided, however, that such law shall not apply to the issuance or sale of investment certificates by a corporation subject to this division when authorized by the commissioner as provided in this division.

18027. Corporations subject to this division are not subject to the provisions or regulations of the Personal Property Brokers Law, Division 9 of this code, or the California Small Loan Law, Division 10 of this code.

18028. All corporations formed under the provisions of this division are taxed in the same manner and at the same rates as other corporations are taxed pursuant to Section 16 of Article XIII of the Constitution of this state.

18029. Each industrial loan company shall keep and use in its business, books, accounts, and records which will enable the commissioner to determine if the company is complying with the provisions of this division and with the rules and regulations made by the commissioner.

18030. Each industrial loan company shall preserve the books, accounts, and records, including cards used in the card system, if any, for at least two years after making the final entry on any loan or purchased obligation recorded therein.

Article 3. Real Property Held

18040. An industrial loan company may purchase, hold and convey real property for the following purposes only:

(a) Real property conveyed to it in satisfaction of debts previously contracted in the course of its business.

(b) Real property purchased at sale under judgments, decrees or mortgage foreclosures or foreclosures of or trustees' sales under deeds of trust under securities held by it. No company shall bid at any such sale a larger amount than is necessary to satisfy its debt and costs.

(c) Real property necessary as premises for the transaction of its business. No company shall invest directly or indirectly an amount exceeding one-third of its paid-up capital and surplus not available for dividends as provided in Section 18319 in the lot and building in which the business of the company is carried on, leasehold

improvements, furniture, fixtures, vaults, automobiles, and other personal property, necessary and proper to carry on its business.

18041. Real property acquired pursuant to subdivision (a) or (b) of Section 18040 shall not be held for a longer period than five years without the written consent of the commissioner.

18042. The authority of a three-fourths vote of all the directors is necessary to authorize the purchase of a lot and building necessary as premises for the transaction of business as an industrial loan company or to authorize the construction of such building.

18043. Real property held by an industrial loan company shall be conveyed by an instrument under the corporate seal of the corporation, signed by the president or vice president, and the secretary or assistant secretary.

Article 4. Advertising

18055. No person shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner in connection with the business of an industrial loan company any statement or representation with regard to the rates, terms, or conditions for making or negotiating loans, or with regard to investment certificates, which is false, misleading, or deceptive.

18056. An industrial loan company shall not use any advertising which refers to the supervision of such company by the state or any department or official thereof.

18057. An industrial loan company shall not use any advertising nor make any representations which indicate, infer or might lead a person to believe that the company is a bank or savings and loan association.

18058. An industrial loan company shall not use any advertising nor make any representations which indicate, infer or might lead a person to believe that investment certificates are insured unless such is the fact.

18059. Advertising pertaining to protection of accounts by Thrift Guaranty Corporation of California shall be in accordance with Section 18506.

18060. An industrial loan company that has investment certificates outstanding shall not use any advertisement which refers to the industrial loan company's ownership by, or affiliation with, any other entity unless the advertisement also discloses in as prominent a manner and as large a type size as the reference ownership or affiliation was stated, whether or not the owner or affiliate so named guarantees thrift certificates issued by the industrial loan company.

18061. If an industrial loan company refers in any advertisement to rates of charge, discount, charges or costs of loans, the commissioner shall require that they be stated fully and clearly in such manner as he deems necessary to prevent misunderstanding thereof by prospective borrowers and to give adequate information

to prospective borrowers. If the rates or costs advertised do not apply to loans of all classes, this fact shall be clearly indicated in the advertisement.

18062. An industrial loan company shall not use any advertisement:

(a) Unless a true copy of the advertisement has been first filed in the office of the commissioner at least 10 business days prior to such use.

(b) After its use has been disapproved by the commissioner and the industrial loan company has been notified in writing of such disapproval.

18063. The commissioner may require an industrial loan company to maintain a file of all advertising copy for a period of 12 months from the date of its use. The file shall be available to the commissioner upon request.

CHAPTER 2. FORMATION AND ORGANIZATION

Article 1. General

18100. When authorized by the commissioner as provided in this chapter, a corporation may be organized under the laws of this state, or an existing California corporation may amend its articles of incorporation, to engage in an industrial loan business. Except as otherwise provided in this division, an industrial loan company may be incorporated pursuant to Division 1 (commencing with Section 100), Title 1, of the Corporations Code.

18101. If the commissioner approves an application to engage in business as an industrial loan company filed pursuant to Article 2 (commencing with Section 18115) of this chapter, he shall issue a certificate in duplicate authorizing the organization of the corporation, or the amendment of its articles of incorporation, and specifying the date on which, and the conditions under which, it may commence business as an industrial loan company, including the place where it will be located.

18102. The articles of incorporation of an industrial loan company shall expressly state that its purpose is to engage in an industrial loan business pursuant to this division. The Secretary of State shall not file articles of incorporation or an amendment to articles of incorporation of an industrial loan company unless there is filed with the Secretary of State a duplicate of the certificate issued by the commissioner pursuant to Section 18101.

18103. An industrial loan company's certificate to engage in the industrial loan business is not transferable or assignable.

Article 2. Applications

18115. An application for authority to engage in the industrial loan business shall be in such form and contain such information as

the commissioner may require and shall be accompanied by a filing fee of two hundred fifty dollars ($250).

18116. Upon the filing of an application, the commissioner shall make or cause to be made a careful investigation and examination relative to the following:

(a) Character, reputation and financial standing of the organizers or incorporators.

(b) The need for industrial loan facilities or additional industrial loan facilities, as the case may be, in the community where the proposed industrial loan company is to be located, giving particular consideration to the adequacy of existing industrial loan facilities in the community.

(c) The ability of the community to support the proposed industrial loan company, giving consideration to (1) the competition offered by existing industrial loan companies; (2) the previous industrial loan history of the community; and (3) the opportunities for profitable employment of industrial loan funds as indicated by the average demand for credit, the number of potential investors, the volume of industrial loan transactions and the business and industries of the community with particular regard to their stability, diversification and size.

(d) The character, banking, industrial loan or finance company or other experience and business qualifications of the proposed officers and managers of the industrial loan company.

(e) The character, financial responsibility, business experience and standing of the proposed stockholders and directors.

(f) Such other facts and circumstances bearing on the proposed industrial loan company as in the opinion of the commissioner may be relevant.

18117. The commissioner shall not approve the application unless he shall ascertain to his satisfaction:

(a) That the public convenience and advantage will be promoted by the establishment of the proposed industrial loan company.

(b) That the industrial loan company is being formed for no other purpose than the legitimate objectives contemplated by this division.

(c) That the proposed capital structure is adequate.

(d) That the financial responsibility, character, and general fitness of the proposed officers, directors, shareholders, and other investors (except thrift investment certificate holders), are such as to command the confidence of the community and to warrant belief that the business will be operated honestly and fairly within the purposes of this division, and that the proposed officers and directors have sufficient banking, industrial loan, finance company or other experience, ability and standing to afford reasonable promise of successful operation.

(e) That the applicant has complied with all the applicable provisions of this division.

18118. (a) At the time of filing an application for authorization to establish an industrial loan company, the applicant shall file with

the commissioner a bond in the sum of one thousand dollars ($1,000), to be approved by the commissioner, in which the applicant is the obligor, with one or more sureties approved by the commissioner, whose liability as sureties need not exceed that amount in the aggregate.

(b) The bond shall run to the state for the use of the state and any person who has a cause of action against the obligor of the bond under the provisions of this division.

(c) The bond shall be conditioned that the obligor will faithfully conform to and abide by the provisions of this division and of the Corporate Securities Law of 1968, and of all rules and regulations made by the commissioner under either this division or the Corporate Securities Law of 1968. The bond shall be conditioned that the obligor shall pay to the state and to any person all money that becomes due or owing to the state or to such person from the obligor under the provisions of this division or of the Corporate Securities Law of 1968.

(d) If the commissioner finds at any time that the bond is insecure or exhausted in whole or in part or otherwise doubtful, the company shall file within 10 days after written notice, an additional bond in the sum of not more than one thousand dollars ($1,000), approved by the commissioner, with one or more sureties approved by him and of the character specified in this chapter.

18119. Within 30 days after an application is filed for authorization to establish an industrial loan company which intends to sell and issue its investment certificates, the commissioner shall give written notice of the filing of the application to each member of Guaranty Corporation.

18120. Before the commissioner issues a certificate of authorization to operate as an industrial loan company, there must be paid in cash for the benefit of the corporation, the minimum capital stock and minimum paid-in surplus or reserve required pursuant to Article 2 (commencing with Section 18130) of this chapter.

Article 3. Capitalization

18130. The capital stock of an industrial loan company incorporated under this division shall be in accordance with the following:

(a) If incorporated or commencing business on or before September 18, 1959, the capital stock shall not be less than the following amounts:

(1) Fifty thousand dollars ($50,000) when the corporation is transacting business in any city having a population of less than 50,000 inhabitants.

(2) One hundred thousand dollars ($100,000) when the corporation is transacting business in any city having 50,000 or more inhabitants.

(b) If incorporated or commencing business after September 18, 1959, but before November 23, 1970, the capital stock shall not be less than three hundred thousand dollars ($300,000).

(c) If incorporated or commencing business on or after November 23, 1970, the capital stock shall not be less than five hundred thousand dollars ($500,000).

(d) If incorporated or commencing business on or after July 9, 1975, the capital stock shall not be less than seven hundred fifty thousand dollars ($750,000).

18131. (a) The capital stock required by subdivision (d) of Section 18130 and the paid-in surplus required by Section 18120 shall apply if the commissioner finds any of the following:

(1) An industrial loan company desires to change or has changed its place of business to a city with a population larger than the city from which the change is to be made or was made.

(2) An industrial loan company opens an additional branch office or place of business in a city with a population larger than the city in which it is operating at the time business is commenced at the new branch office or place of business.

(b) The provisions of this section shall be applicable only to an industrial loan company that changes its place of business or opens an additional branch office or place of business on or after July 9, 1975, and when the city to which the change of place of business occurs or in which the additional branch office or place of business is opened has a population of 500,000 or more inhabitants.

18132. Notwithstanding the provisions of Section 18130, when the commissioner makes a finding that there has been a change of ownership of 50 percent or more of an industrial loan company's stock, the capital stock of any corporation incorporated under this division shall be in accordance with the following:

(a) If incorporated or commencing business on or before September 18, 1959, the capital stock shall not be less than the following amounts:

(1) Seventy-five thousand dollars ($75,000) when the corporation is transacting business in any city having a population of less than 50,000 inhabitants.

(2) One hundred fifty thousand dollars ($150,000) when the corporation is transacting business in any city having 50,000 or more inhabitants.

(b) If incorporated or commencing business after September 18, 1959, but before November 23, 1970, the capital stock shall not be less than four hundred fifty thousand dollars ($450,000).

(c) If incorporated or commencing business on or after November 23, 1970, the capital stock shall not be less than seven hundred fifty thousand dollars ($750,000).

The provisions of this section shall not be applicable when the actual or contemplated change of ownership is to the transferor's ancestors, descendants, or spouse, or any custodian or trustee for the account of the transferor or the transferor's ancestors, descendants,

or spouse, or to a transferee by a trustee or custodian for the account of the transferee or the transferee's ancestors, descendants or spouse.

18133. For the purposes of this article the population is as determined by the last official census. The establishment and operation of an industrial loan company or a branch office within 10 miles of the city limits of an incorporated city or cities shall require the same minimum capital as would be required if the industrial loan company or branch office were located within the incorporated city having the larger population. In no event shall an industrial loan company have a paid-in and unimpaired capital of less than fifty thousand dollars ($50,000).

18134. (a) An industrial loan company which commenced business on or before November 22, 1970, which opens an additional branch office or place of business shall have capital stock required by Section 18132 or three hundred thousand dollars ($300,000), whichever is greater, plus additional capital stock of fifty thousand dollars ($50,000) for each branch office opened on or after July 9, 1975, plus twenty-five thousand dollars ($25,000) for each branch office opened before July 9, 1975.

(b) An industrial loan company which commenced business on or after November 23, 1970, which opens an additional branch office or place of business shall have capital stock required by Section 18130 or 18132, or five hundred thousand dollars ($500,000), whichever is greater, plus additional capital stock of fifty thousand dollars ($50,000) for each branch office opened on or after July 9, 1975, plus twenty-five thousand dollars ($25,000) for each branch office opened before July 9, 1975.

(c) An industrial loan company which commenced business on or after July 9, 1975, which opens an additional branch office or place of business shall have capital stock of seven hundred fifty thousand dollars ($750,000) plus additional capital stock of fifty thousand dollars ($50,000) for each branch office.

(d) In addition to the capital stock required by subdivision (a) or (b), an industrial loan company shall, at the time of commencing business or opening a branch office, have minimum unimpaired paid-in surplus or other surplus in an amount at least equal to 50 percent of the amount of minimum capital stock required by subdivision (a) or (b), except that paid-in surplus or other surplus shall not be required for any additional branch office or place of business opened on or after July 9, 1975

18135. (a) An industrial loan company that commenced business on or after July 9, 1975, may declare a cash dividend upon its capital stock only if the company has minimum unimpaired capital of seven hundred fifty thousand dollars ($750,000) plus fifty thousand dollars ($50,000) for each additional branch office and minimum unimpaired paid-in surplus of five hundred thousand dollars ($500,000).

(b) An industrial loan company that commenced business before July 9, 1975, may declare a cash dividend upon its capital stock only

if the company has minimum unimpaired capital required by Section 18130, 18131 or 18132 and Section 18134 plus minimum unimpaired paid-in surplus or other surplus at least equal to 50 percent of the amount of the minimum capital stock required by Section 18130, 18131, or 18132 and Section 18134, except that paid-in surplus or other surplus shall not be required for any additional branch office or place of business opened on or after July 9, 1975.

(c) If an industrial loan company is required by Section 18131, 18132 or 18134 to increase its capital stock, the industrial loan company may declare a cash dividend upon its capital stock only if the company has minimum unimpaired capital stock required by Section 18131, 18132, or 18134 plus minimum unimpaired paid-in surplus or other surplus at least equal to 50 percent of the amount of the minimum capital stock required by Section 18131, 18132, or 18134, except that paid-in surplus or other surplus shall not be required for any additional branch office or place of business opened on or after July 9, 1975.

18136. An industrial loan company shall not issue more than one class of stock. The commissioner may by rule fix the amount per share which is to be allocated to the capital account.

18137. An industrial loan company shall not reduce its capital stock to an amount less than is required by this article to be maintained by such company or less than any indebtedness of such company other than its investment certificates.

18138. No person may acquire 10 percent or more of an industrial loan company's capital stock through purchase, foreclosure pursuant to a pledge or hypothecation, or other devices without the written consent of the commissioner.

Article 4. Branch Offices

18145. When authorized by the commissioner as provided in this division, an industrial loan company, pursuant to a resolution of its board of directors, may establish and maintain one or more branch offices within the state.

18146. The request for authority to establish a branch office shall be set forth in an application in such form and containing such information as the commissioner may require and shall be accompanied by an application fee of one hundred dollars ($100) for each new branch office.

18147. The commissioner shall not approve an application for a branch office until he has ascertained to his satisfaction that the facts set forth in the application are true and:

(a) That the public convenience and advantage will be promoted by the establishment of the proposed branch office.

(b) That the industrial loan company has the capital required by this division.

18148. The failure of an industrial loan company to open and operate a branch office within six months after the commissioner has

issued an order approving the application for a branch office shall automatically terminate the right of the industrial loan company to open the branch office. However, the commissioner may for good cause on written application made before the expiration of the six months' period, extend for additional periods, not in excess of six months each, the time within which the branch office may be opened.

18149. When the commissioner has approved an application for permission to establish a branch office and the applicant pays to the commissioner an additional fee of one hundred dollars ($100) for a certificate of authorization to transact business, the commissioner shall issue a certificate of authorization to transact business authorizing the opening and operation of the branch office and specifying the date on which and the conditions under which it may be opened and the place where it will be located.

18150. An industrial loan company shall keep posted in a conspicuous place in each branch office the certificate of authorization to transact business issued by the commissioner permitting the operation of the branch office.

18151. An industrial loan company which opens a branch office without first obtaining a certificate of authorization to transact business shall forfeit to the people of the state the sum of one hundred dollars ($100) for every day during which the branch office is maintained without authority.

18152. The provisions of Sections 18146, 18147, 18148, 18149, 18150, and 18151 shall not affect branch offices which are opened and operating prior to September 18, 1959.

18153. An industrial loan company which maintains a branch office or branch offices shall give to each branch office maintained by it a specified designation by name or number and include in the designation the word "branch" or the word "office" and shall prominently display the designation at the place of business of the branch.

18154. With the prior written approval of the commissioner, an industrial loan company may close or discontinue the operation of any branch office provided public notice thereof is given in such manner as the commissioner directs at least 30 days before the date of closing or discontinuance.

After a branch office has been closed or discontinued, it may not be reopened without the approval of the commissioner and compliance with the applicable provisions of this division.

Article 5. Change of Location

18165. An industrial loan company shall not transact business or make any loan provided for by this division at any other place of business than that designated in its certificate of authorization issued pursuant to Section 18101 or 18149, without having obtained the prior written approval of the commissioner. The commissioner may under

rules and regulations permit loans to be made or entered into at places other than designated by an industrial loan company in its certificate of authorization if such loans can be so made consistent with the purposes of the Industrial Loan Law.

18166. If an industrial loan company desires to change its place of business to a street address other than that designated in its authorization, it shall give written notice to the commissioner who shall issue his written authorization of such change, provided the commissioner finds such change of place of business would not justify a negative finding with respect to any matters set forth in Section 18117 or 18147.

CHAPTER 3. LOANS AND PURCHASED OBLIGATIONS

Article 1. General

18190. An industrial loan company may:

(a) Loan money, secured or unsecured, with or without the pledge of its installment investment certificates.

(b) Collect and receive charges for loans in advance or otherwise.

(c) Purchase, sell, or discount the following obligations: bona fide trust receipts, secured or unsecured choses in action, conditional sales contracts, or security agreements.

18191. Sections 18008, 18009, 18010, 18212, 18213, 18214, 18219, 18220, 18222, 18230 through 18234, 18245 through 18252, 18290 through 18295, and 18439 do not apply to:

(a) Any bona fide loan of a principal amount of ten thousand dollars ($10,000) or more or to an industrial loan company in connection with any such loan if the provisions of the section are not used for the purpose of evading this division.

(b) An amount due from a contingent guarantor on his obligations purchased under the provisions of this division.

(c) A loan to a primary borrower who has pledged accounts receivable or installment accounts to secure loans which taken in the aggregate amount to ten thousand dollars ($10,000) or more.

18192. The payment of money, credit, goods, or things in action as consideration for any sale or assignment of, or order for, the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, is, for the purposes of regulation under this division, a loan secured by such assignment, and the amount by which the assigned compensation exceeds the amount of consideration actually paid is interest and charges upon or for such loan from the date of payment to the date the compensation is payable. This section does not modify or affect existing statutes governing wage assignments in this state, or authorize such assignments.

Article 2. Terms and Maximum Charges

18205. (a) An industrial loan company shall not make any loan or purchase or discount any other obligation that provides for a scheduled repayment of principal over more than the maximum terms set forth below opposite the respective size of loan or other obligation:

Principal amount of	Maximum term
Loan of less than $1,500	24 months and 15 days
Loan of $1,500 but less than $2,500 or other obligation of less than $2,500	36 months and 15 days
Loan or other obligation of $2,500 but less than $4,000	48 months and 15 days
Loan or other obligation of $4,000 but less than $6,000	60 months and 15 days
Loan or other obligation of $6,000 or more	84 months and 15 days

Notwithstanding any other provision of this division, a loan or other obligation secured primarily by real property shall not have a term or maturity exceeding the term or maturity permitted by Section 18210.

(b) An industrial loan company that has investment certificates outstanding shall not make any loan or purchase or discount any other obligation that has a maturity of more than 60 months and 15 days unless such loan or obligation complies with the collateral requirements and aggregate limitation contained in Section 18265.

18206. An industrial loan company shall not make a consumer loan or acquire a consumer obligation unless such loan or obligation is repayable by equal or substantially equal periodic payments during its term.

18207. An industrial loan company may make a consumer loan that is not secured primarily by real property or other type of loan which is repayable at maturity by a single payment which includes principal and charges. In no event shall such loans have a term in excess of one year or be made for the purpose of evading or avoiding this division.

18208. An industrial loan company may make a consumer loan in which the principal and charges are payable at any time during the loan, provided that the loan is secured at all times at least 100 percent by either investment certificates of an industrial loan company authorized to conduct business in the State of California under this division or traded securities.

18209. An industrial loan company may make loans, purchase or discount notes, mortgages, contracts or other commercial paper insured by the Federal Housing Administrator, Veterans Administration, other federal agency or an agency of the state. Loans so insured may be made for a term up to but not to exceed the

maximum permitted by such agencies.

18210. Except as provided in Section 18209, an industrial loan company shall not make any loan or purchase or discount any note secured primarily by real property unless such loan or other obligation is repayable in substantially equal weekly, semimonthly, monthly, or quarterly installments during its term which shall not exceed two years from the date the loan or other obligation is made or acquired by the company except that loans or other obligations of a face amount of two thousand dollars ($2,000) or more may have a maturity of not to exceed three years from the date of making or acquisition.

18211. No charge shall be collected unless a loan is made.

18212. (a) The charges by an industrial loan company broker, and all other persons on any loan, forbearance of money, credit, goods, or things in action under this division, shall not exceed in the aggregate:

(1) Two percent (2%) per month on that part of the unpaid principal balance of any loan up to, including, but not in excess of, seven hundred dollars ($700).

(2) One percent (1%) per month on any remainder of such unpaid principal balance in excess of seven hundred dollars ($700).

(b) As an alternative to the charges authorized by subdivision (a), a company may contract for and receive charges at a rate not exceeding 1½ percent per month on the unpaid principal balance.

18213. In lieu of computing charges and applying payments as provided in Sections 18212, 18245, or 18246, an industrial loan company may combine the interest rate percentages permitted by subdivision (a) of Section 18212 that are applicable to different portions of unpaid principal balances, and allocate periodic installments between charges and unpaid principal based on the resulting single interest rate percentage; provided, however, that if prepayment in full occurs on or before the third installment date, all charges shall be recomputed as a percentage per month of the unpaid principal balance or portions thereof based on the number of days actually elapsed.

18214. For the purpose of computing the charges set forth in this article, a month is any period of 30 consecutive days.

18215. An industrial loan company may contract for, collect, and receive at the time of making the loan or at any time thereafter, any cost of publication as required by law and the statutory fee paid by it to any public officer for acknowledging, filing, recording, or releasing in any public office any instrument securing the loan or executed in connection with a loan. Such fees are not included in computing the maximum charges which may be made under this division.

18216. An appraisal fee may be charged by an industrial loan company for any loan made of a face amount of two thousand dollars ($2,000) or more which is secured primarily by real property. Such fee shall not exceed the actual cost of the appraisal or 1 percent of

the face amount of the loan, whichever is the lesser. The appraisal must be rendered to the industrial loan company in writing by a qualified appraiser approved in writing by the commissioner. Only one such fee for appraising the same real property may be collected in any 12-month period. Such fee is not included in computing the maximum charges which may be made under this division.

18217. An escrow fee of a reasonable amount may be charged for any loan made which is secured primarily by real property when such services are actually performed. Such fee shall be considered reasonable when paid to a company licensed to do business under the Escrow Law, Division 6 (commencing with Section 17000), or any person exempted by the Escrow Law, provided that such fees are comparable to fees being charged by escrow companies so authorized to do business in this state. Such fee is not included in computing the maximum charges which may be made under this division.

18218. Regardless of any other provisions of this division, an industrial loan company in the collection of a delinquent loan of an unpaid principal balance in excess of three hundred dollars ($300) may:

(a) Collect and receive the court costs and reasonable attorney's fees allowed by a court in a judgment against a defaulting debtor.

(b) Contract for, collect and receive the bona fide expenses actually incurred and paid by the industrial loan company, not exceeding 10 percent of the unpaid principal balance of the loan where no judgment at law is sought.

18219. An industrial loan company shall not induce or permit any borrower to split up or divide any loan and thereby contract for or receive a higher rate of charge than would otherwise be permitted by this division.

18220. An industrial loan company shall not induce any husband and wife jointly or severally, to become obligated, directly or contingently or both, under more than one contract of loan at the same time, with the result of obtaining a higher rate of charge than would otherwise be permitted by this division.

18221. Nothing in this division shall prevent an industrial loan company from transacting loan contracts with different borrowers and from contracting for and receiving, up to and including the highest rate of charge permitted by this division at the time of making said loans; provided, however, that if any person is obligated to and does pay more than one loan contract outstanding at the same time, the entire amount of charges paid by such person and received by the industrial loan company on such loan contracts, shall not exceed the maximum that would be permitted by this division if all such loan contracts so paid were combined into one loan transaction.

18222. An industrial loan company shall permit payment to be made in advance in any amount on any contract of loan at any time. The industrial loan company shall apply such payment first to all charges due up to the date of such payment and the remainder to

the loan balance.

Article 3. Disclosure and Loan Documents

18230. Each industrial loan company shall display prominently in each place of business a full and accurate schedule of the maximum charges to be made and the method of computing the same. The schedule is subject to the approval of the commissioner.

18231. Each industrial loan company shall:

(a) Deliver or cause to be delivered to the borrowers, or any one thereof, at the time the loan is made, a written statement showing in clear and distinct terms the name and address of such company and the broker, if any. The statement shall show the date, amount, and maturity of the loan contract, how and when repayable, the nature of the security, if any, for the loan, and the agreed rate of charge.

(b) Obtain from the borrower a signed statement as to whether any person has performed any act as a broker in connection with the making of the loan. If such statement discloses a broker or other person has participated, the company shall obtain a full statement of all sums paid or payable to the broker or other person.

(c) Keep the statements required by this section for a period of two years from and after the date the loan has been paid in full, or has matured according to its terms, or has been charged off.

18232. When a loan is made under Section 18246, an industrial loan company shall disclose in the statement to be given to the borrower as provided in subdivision (a) of Section 18231 and the loan contract in addition to other required information the principal amount of the loan exclusive of charges. The statement and loan contract shall also disclose the basis for computing the refund of precomputed charges in case of prepayment in full or acceleration of maturity and for computing default and deferment charges.

18233. An industrial loan company shall deliver or cause to be delivered to the person making any payment in person in cash at any office of the company, at the time such payment is made on account of any loan, a plain and complete receipt showing the total amount received and identifying the loan contract upon which such payment is applied, and showing the unpaid balance of the loan.

18234. An industrial loan company shall upon repayment of any loan in full, cancel or plainly mark "paid" and return to the borrower or person making final payment, the note evidencing the loan. If such borrower is not otherwise obligated to such company, the company shall release all security for such loan, endorse and return any certificate of ownership, and return to the borrower any security agreement, assignment, or order signed by the borrower, except such as are a part of the court record in any action, or such as have been delivered to a third person for the purpose of carrying out the terms thereof.

18235. An industrial loan company shall not take any note,

promise to pay, or security agreement that does not accurately disclose the actual amount of the loan, the time for which it is made, and the agreed rate of charge, nor any instrument in which blanks are left to be filled in after execution.

Article 4. Charges on Scheduled Balances

18245. Whenever the interest or charges, or interest and charges deducted in advance exceed the maximum provided by this division, by reason of subsequent repayment of the loan, a new loan, refinancing, or otherwise, or any portion thereof prior to maturity, such excess shall be rebated to the borrower or credited on any balance owing by the borrower to the company. The rebate shall be the difference between the total of the precomputed charge, any charge for extending the first due date, plus any default or deferment charges and the charges at the contract rate computed on unpaid principal balances for the number of days actually elapsed by applying each payment first to charges and the remainder to principal. The tender, by the borrower or at his request, of an amount equal to the unpaid balance less the required rebate must be accepted by the company in full payment of the loan contract.

18246. (a) As an alternative to the provisions of Section 18245, if a loan is repayable in substantially equal and consecutive monthly installments of principal and charges combined, the first of which is due not less than 15 days nor more than one month and 15 days from the date the loan is made, a company may precompute charges and apply payments as provided in this article.

(b) The total charges which would be earned if the loan contract were repaid exactly according to its terms, at the monthly rate stated in the loan contract, may be precomputed when the loan is made and added to the principal of the loan. Every payment may be applied to the combined total of principal and precomputed charges until the loan contract is fully paid.

(c) The portion of the precomputed charge applicable to any particular monthly installment period shall bear the same ratio to the total precomputed charge, excluding any adjustment made for a first period of more or less than one month, as the balance scheduled to be outstanding during that monthly period bears to the sum of all monthly balances scheduled originally by the loan contract.

18247. If a loan contract made under Section 18246 is prepaid in full by cash, a new loan, refinancing or otherwise before the final installment date, the borrower shall receive a rebate of the portion of the precomputed charge applicable to the full installment periods following the installment date nearest the date of such prepayment; provided, however, that if prepayment in full occurs on or before (i) the third installment date if the loan contract provides for charges at a rate not exceeding that set forth in subdivision (a) of Section 18212, or, (ii) the ninth installment date, or such different installment date as shall have been established by rule of the

commissioner, if the loan contract provides for charges at a rate exceeding that rate set forth in subdivision (a) of Section 18212, the rebate shall be the difference between the total precomputed charge and the charges at the contract rate computed on unpaid principal balances by applying each payment first to charges and the remainder to principal. After the installment date in (i) or (ii) above, whichever is applicable, any prepayment made on or before the 15th day following an installment date shall be deemed to have been made on the installment date preceding such prepayment. The tender, by the borrower or at his request, of an amount equal to the unpaid balance less the required rebate must be accepted by the company in full payment of the loan contract.

18248. A special rebate of precomputed charges shall be made if three or more, but not all, installments are prepaid in full at any one time either in one transaction or over a period of time on a loan made under Section 18246. The special rebate shall be equal to the portion of precomputed charge applicable to the last installment period multiplied by the total number of full installment periods such installments and any subsequent installments are prepaid. Such special rebate shall be computed and made at the termination of the loan contract and shall be an addition to any required rebate for prepayment in full.

18249. A default charge may be charged and collected on a loan made under Section 18246 in the event of default of more than 10 days in the payment of one-half or more of any scheduled installment. The default charge shall not exceed an amount equal to the portion of the precomputed charge applicable to the final installment period. Said charge may not be collected more than once for the same default and may be collected at the time of such default or at any time thereafter. If such default charge is deducted from any payment received after default occurs, and such deduction results in the default of a subsequent installment, no charge may be made for the resulting default.

18250. A deferment charge may be charged and collected on a loan made under Section 18246 if the payment date of all wholly unpaid installments on which no default charge has been collected is deferred one or more full months and the loan contract so provides. Such deferment charge shall not exceed the portion of precomputed charge applicable, prior to deferment, to the first deferred monthly installment period multiplied by the number of months the maturity of the contract is deferred. Such number of months shall not exceed the number of full installments which are in default on the date of deferment or which may become due within 15 days of such date. When a deferment charge is made, no portion of the precomputed charge shall apply to the installment periods in which no installment payment is required by reason of the deferment. In computing any default charge or required rebate, the portion of the precomputed charge applicable to each deferred balance and installment period following the deferment period and

prior to the deferred maturity shall remain the same as that applicable to such balances and periods under the original contract of loan. Such charge may be collected at the time of deferment or at any time thereafter. Any payment received at the time of deferment may be applied first to the deferment charge and the remainder, if any, applied to the unpaid balance of the loan contract; provided, however, if such payment is sufficient to pay, in addition to the appropriate deferment charge, any installment which is in default and the applicable default charge, it shall be first so applied and any such installment shall not be deferred nor subject to the deferment charge.

18251. A borrower and the industrial loan company may agree that the first installment due date of a loan made under Section 18246 may be not less than 15 days nor more than one month and 15 days from the date the loan is made. The amount of the first installment may be increased by one-thirtieth of the portion of the precomputed charge applicable to a first installment of one month for each extra day extended. The amount of the first installment shall be decreased by the same method of computation for each day accelerated.

18252. If the maturity of a loan made under Section 18246 is accelerated for any reason, the company shall make the same refund or credit as would be required if the loan contract was paid in full on the date of acceleration and the unpaid balance shall be treated as the unpaid principal balance and thereafter the unpaid balance of the loan contract shall bear charges at the agreed rate of charge if the loan contract so provides.

Article 5. Limitations and Regulations of Loans and Purchased Obligations

18265. An industrial loan company that has investment certificates outstanding shall not make any loan or purchase or discount any other obligation with a maturity of more than 60 months and 15 days unless all of the following conditions are met:

(a) The loan or other obligation is secured.

(b) The property, or collateral securing the loan or other obligation, is of a kind or class that has been declared eligible by regulation of the commissioner.

(c) The aggregate principal balance of such loans and other obligations outstanding at any time shall not exceed a percentage of the aggregate principal balance due on all loans and other obligations owing to the industrial loan company authorized by rule of the commissioner.

18266. Any loan or other obligation made or acquired by an industrial loan company that has investment certificates outstanding which is secured primarily by real property and has an outstanding principal balance of five thousand dollars ($5,000) or more shall be secured by real property or personal property having combined a fair maket value at the time the loan or other obligation is made or

acquired of at least 115 percent of the principal amount owing on the loan or obligation and on prior encumbrances, except nondelinquent tax liens, secured by the same real property. Fair market value of the real property for the purposes of this section shall be determined by an authenticated appraisal made by a qualified real property appraiser, approved in writing by the commissioner. The personal property held as security shall be of a kind or class that has been declared eligible by regulation of the commissioner.

18267. The aggregate principal balance of loans or other obligations which are secured partially by real property, but not secured primarily by real property, shall in no event exceed 25 percent of the industrial loan company's outstanding loans and obligations.

18268. An industrial loan company that has investment certificates outstanding shall not lend in the aggregate more than 5 percent of its capital and surplus not available for dividends as provided in Section 18319 upon the security of the stock of any one corporation and such stock may not exceed 10 percent of the outstanding stock of said corporation, or upon the security of the bonds of any one obligor except bonds of the United States or for the payment of which the credit of the United States is pledged, bonds of the State of California, or for the payment of which the credit of the State of California is pledged, and any security authorized in writing by the commissioner or any security authorized by rule of the commissioner.

18269. An industrial loan company that has investment certificates outstanding shall not make any loan secured primarily by real property in a principal amount in excess of 10 percent of the company's unimpaired capital and surplus not available for dividends as provided in Section 18319.

18270. An industrial loan company may require the borrower to sign a contract of pledge, assignment, mortgage, security agreement, deed of trust, or trust receipt relating to real or personal property given by the borrower as security for the repayment of the loan and interest and charges thereon.

18271. An industrial loan company that has investment certificates outstanding shall not make loans to or hold the obligations of any one person as primary obligor in an aggregate principal amount in excess of 20 percent of the unimpaired capital and surplus of the company not available for dividends as provided in Section 18319. Unsecured loans or obligations of any person as primary obligor made or held by a company may not, in any event, exceed in the aggregate principal amount 5 percent of the unimpaired capital and surplus of the company not available for dividends as provided in Section 18319.

18272. The secured or unsecured loans or obligations which exceed ten thousand dollars ($10,000) in principal amount made or held by an industrial loan company that has investment certificates outstanding shall in no event exceed in the aggregate 40 percent of

the company's outstanding loans and obligations. The unsecured loans and obligations which exceed ten thousand dollars ($10,000) in principal amount shall in no event exceed in the aggregate 20 percent of the company's outstanding loans and obligations.

18273. Secured loans or obligations for purposes of Sections 18265, 18271, and 18272 must be secured by collateral of a market value of at least 115 percent of the principal amount owing on the loans or obligations. The personal property or collateral held as security shall be of a kind or class that has been declared eligible by regulation of the commissioner.

18274. The principal balances of loans secured by unimproved real property of an industrial loan company that has investment certificates outstanding shall not in the aggregate exceed 2 percent of the company's unimpaired capital and surplus not available for dividends as provided in Section 18319 unless the commissioner consents to the taking of collateral to protect an existing jeopardized obligation.

Article 6. Insurance Sold With Loans

18290. An industrial loan company may provide and collect the costs for credit life insurance on the life of one or more of the borrowers and credit disability insurance to provide indemnity for payments becoming due on the indebtedness, with his or her consent, the form to be approved by the commissioner, and in an amount not in excess of the amount of the indebtedness. The amount charged to the borrower for such insurance shall not exceed, in the case of credit life insurance, the amount provided in (1) or (2) following, whichever is less, or, in the case of credit disability insurance, unless a regulation has been promulgated and established pursuant to Section 18412, in which case the amount charged shall not exceed the amount prescribed by such regulation, the amount provided in (1) following:

(1) The premium rate filed with the Commissioner of Insurance for the coverage provided pursuant to Article 5.9 (commencing with Section 799.1), Chapter 1, Part 2, Division 1 of the Insurance Code and which has not been disapproved by him, or

(2) Fifty cents ($0.50) per year per one hundred dollars ($100) of indebtedness (and in the same proportion for longer or shorter maturities and larger or smaller amounts) or such different maximum as is fixed by the Commissioner of Insurance by a valid and effective regulation hereafter adopted.

18291. If credit life or disability insurance is provided pursuant to this division, and if the insured borrower dies or becomes disabled during the term of the loan contract, the insurance shall be sufficient to pay the total amount due on the loan (excluding unearned charges) outstanding on the date of his death, or all amounts which become due on the loan thereafter during the period of such disability, as the case may be, without any exception, reservation or

limitation, subject, however, to the provisions of Section 18292. Any such life or disability insurance as provided shall be in force as soon as the loan is made. An industrial loan company shall not require credit life or disability insurance as a condition of making a loan.

18292. If credit disability insurance is provided pursuant to this division, it shall not provide indemnity against the risk of a borrower becoming disabled for a period of less than 14 days. Such insurance may provide indemnity for any single period of continuous disability of 14 days or longer, after which the risk may become compensable. In no event shall any such credit disability insurance provide for retroactive coverage to an earlier date based upon such disability having continued for a period stated in the policy, or for any other reason. Credit disability insurance, if made available by an industrial loan company, shall be available by the month as well as by the year, and the premium by the month shall not exceed a pro rata relationship to the annual premium. No such credit disability insurance shall be written for a period in excess of the term of the loan to which it is applicable.

18293. If credit disability insurance is provided pursuant to this division, the industrial loan company shall also deliver an understandable written statement to the borrower detailing the conditions when the borrower will be entitled to make a claim under the insurance policy and the procedure to be followed in making such claim. This statement shall be first approved by the commissioner.

18294. An industrial loan company may collect the costs for insurance of tangible personal or real property offered as security for a loan, reasonably insured against loss for a reasonable term considering the circumstances of the loan, when the policy of insurance is made payable to the borrower or any member of his family, even though the customary mortgagee clause is attached, and if the insurance is sold at standard rates through duly licensed insurance agents.

18295. An industrial loan company may collect the costs of title insurance for loans secured primarily by real property. The costs for such insurance may be collected if:

(1) The principal amount of the loan is at least one thousand dollars ($1,000);

(2) The loan is secured by a lien of a deed of trust or mortgage on real property which is the subject of such policy of title insurance;

(3) The policy of title insurance is made payable to the lender or jointly to such lender and the borrower as their interests may appear;

(4) The coverage of such insurance may not exceed the lesser of the principal amount of the loan or the fair market value of the real property less prior encumbrances;

(5) The insurance is placed at standard rates through a title insurance company authorized to do business in the State of California;

(6) The provisions of the loan require repayment in not less than

12 months; and

(7) In connection with the renewal or extension of a loan, the additional cash advance is at least one thousand dollars ($1,000).

Such costs as herein authorized are not included in the maximum charges which may be made under this division.

CHAPTER 4. INVESTMENT CERTIFICATES

18315. (a) When authorized to conduct business pursuant to this division, an industrial loan company may sell and issue its investment certificates in the form and upon the terms approved by the commissioner, and subject to the provisions of this division. The commissioner may, by written order directed to a company or by rule or regulation, impose such terms and conditions upon investment certificates and the sale or redemption thereof or the payment of interest thereon, as he deems reasonable and necessary or advisable for the protection of the company or the public, and he may from time to time in his discretion amend, alter or revoke any such order or regulation or any condition or provision thereof.

(b) Any change in the form, terms, or provisions of outstanding investment certificates or in the rights, privileges, or restrictions upon the holder or issuer thereof is deemed a sale and issuance of investment certificates and is subject to the prior approval of the commissioner pursuant to subdivision (a) of this section.

(c) The company named in any order issued pursuant to subdivision (a) of this section may, within 15 days after receipt thereof, file with the commissioner its written request for hearing. The filing of such request shall not operate to postpone or suspend the effectiveness of any order issued by the commissioner unless otherwise directed by the commissioner. The commissioner shall, within 15 days after the receipt of such written request or at such later time as may be mutually agreed with the company, cause such matter to be heard and shall thereafter issue his final decision. Such decision may be amended or set aside by the commissioner at any time.

(d) Every order or decision of the commissioner made pursuant to this section is subject to judicial review in accordance with law.

18316. An industrial loan company may, in addition to the sale of installment investment certificates with loans, sell or negotiate investment certificates either in certificates, or in receipt book form. The certificates may provide for the payment of money at any time, either fixed or uncertain. The company may receive payments therefor in installments or otherwise, with or without an allowance of interest upon such installments.

18317. Except for industrial loan companies formed prior to June 1, 1965, no company may have investment certificates outstanding with a person or related persons in an aggregate amount in excess of 10 percent of the unimpaired capital and surplus of the company not available for dividends as provided in Section 18319.

18318. Investment or thrift certificates may be issued to or in the name of a minor and as such shall be for the exclusive right and benefit of such minor and may be redeemed in whole or part by said minor or his order and payment so made is a valid release and discharge to the company for such payment.

18319. An industrial loan company shall not have outstanding at any time its investment certificates (exclusive of those hypothecated with the company issuing them) in an aggregate sum in excess of the amount authorized by order of the commissioner issued pursuant to Section 18315, which in no event shall exceed 10 times the aggregate amount of its paid-up and unimpaired capital and such of its unimpaired surplus as is declared by a bylaw of the company (not to be amended without the written consent of the commissioner) to be not available for cash dividends.

18320. Notwithstanding the provisions of Section 18319, an industrial loan company shall in no event:

(a) Have outstanding at any time during its first 12 months of operation as an industrial loan company under this division, its investment certificates in an aggregate sum in excess of three (3) times the aggregate amount of its paid-up and unimpaired capital and such of its unimpaired surplus as is declared by a bylaw of the company to be not available for cash dividends (pursuant to Section 18319).

(b) After 12 months of operation as an industrial loan company under this division and during the next 24 months of said operation, said industrial loan company may file an application with the commissioner seeking authority to increase the aggregate sum of its investment sum which in no event shall exceed six times the aggregate amount of its paid-up and unimpaired capital and such of its unimpaired surplus as is declared by a bylaw of the company to be not available for cash dividends (pursuant to Section 18319).

(c) After 36 months of operation as an industrial loan company under this division, said company may file an application with the commissioner seeking authority to increase the aggregate sum of its investment certificates which it may have outstanding up to the maximum sum permitted by Section 18319.

(d) Whenever the commissioner deems it reasonable and necessary or advisable for the protection of the public he may at any time by order authorize said industrial loan company to have its investment certificates outstanding in either a lesser aggregate sum than the maximum aggregate amounts permitted by subdivision (a), (b), or (c), or none at all.

(e) The request for authority filed with the commissioner pursuant to subdivisions (b) and (c) shall be set forth in an application in such form and containing such information as the commissioner may require.

(f) The commissioner shall by rule or regulation set forth the criteria that must be met before an industrial loan company can be granted authority to increase the aggregate sum of its outstanding

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investment certificates.

(g) If the commissioner does not within 60 days of filing an application grant a request by an industrial loan company operating under this division, for authority to increase the aggregate sum of its outstanding investment certificates to the requested amount, or issues an order pursuant to subdivision (d) such company may file with the commissioner its written request for hearing in accordance with the provisions of subdivisions (c) and (d) of Section 18315.

(h) Subdivisions (a), (b), and (c) shall not be applicable to industrial loan companies that were incorporated and had commenced business on or before January 1, 1975. The commissioner's regulation titled Certificate Ratio for New Industrial Loan Companies, as it existed on July 9, 1975, shall be applicable to all industrial loan companies that were incorporated and had commenced business on or before January 1, 1975.

18321. Nothing in this division authorizes an industrial loan company to receive deposits or issue certificates of deposit. Every investment certificate issued pursuant to this division shall bear the endorsement on the face of the instrument, "this is not a certificate of deposit."

18322. A certificate of investment may be issued with each loan, at the option of the industrial loan company.

18323. The borrower may purchase certificates of investment issued in connection with loans of a face value not exceeding the face amount of the loan simultaneously with each loan transaction and shall pledge the certificate with the corporation as security for the loan.

18324. All payments made by the borrower on the installment investment certificates purchased by the borrower in connection with the making of the loan shall be regarded as payments on the loan and shall be applied, first, to interest and all other charges within the maximum rate provided in this article, and, second, to the reduction of the unpaid principal balance of the loan.

18325. (a) An industrial loan company shall not impose any charge on a periodic investment or thrift certificate, or on an investor in an account evidenced by such certificate, for the failure of an investor to invest, or for the late investment of, any agreed periodic installment investment into such an account. An industrial loan company shall pay interest on periodic investment or thrift certificates at the same rate of interest per annum as is paid on investment or thrift certificates as to which an investor has not agreed to make periodic installment investments.

(b) As used in this section "periodic investment or thrift certificate" means an investment arrangement under which an investor undertakes to make periodic investments of a specified amount into one account, except, however, a periodic investment or thrift certificate shall not mean an impound account established for the purposes of the payment of taxes or other expenses and obligations in connection with a loan secured by real property, or a

certificate of investment issued in connection with a loan pursuant to Section 18322.

CHAPTER 5. ADMINISTRATION AND POWERS OF THE COMMISSIONER

Article 1. General

18340. All fees collected under this division shall be deposited in the State Treasury to the credit of the General Fund.

18341. The administration of this division shall be supported out of the General Fund.

18342. Industrial loan companies have the powers specified in this division. In addition, industrial loan companies have the general powers conferred upon corporations by the General Corporation Law. The powers granted, including those granted by the General Corporation Law, are subject to the supervision and control of the commissioner.

18343. The commissioner may require an industrial loan company to establish and maintain reasonable reserves for loans made, and contracts or other obligations purchased or discounted in accordance with sound business practices. The commissioner may by regulation:

(a) Establish reasonable standards for the classification of loans and contracts or other obligations as to their delinquency or currency.

(b) Prescribe the conditions requiring the writing off of delinquent loans and contracts or other obligations and the conditions under which they may be restored as part of corporate assets.

(c) Establish the basis upon which reasonable and adequate reserves shall be created and maintained.

18344. An industrial loan company shall not conduct the business of making loans under this division, within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as is authorized in writing by the commissioner upon the commissioner's finding that the character of the other business is such that the granting of the authority would not facilitate evasions of this division or of the rules and regulations made pursuant to this division.

18345. An industrial loan company shall notify the commissioner of every change in the officers, directors and management personnel of the company and of each branch of the company within 15 days of such change. Such report shall include a complete identification of each person assuming any such office or duties and such other information as the commissioner shall prescribe. The commissioner may by regulations prescribe the positions or duties which will be deemed to be management personnel within the meaning of this section.

18346. The commissioner may require each industrial loan company to file with the commissioner a fidelity bond indemnifying the industrial loan company against loss of money or property by act of any officer, director or employee of such company, having access to assets owned by or pledged with the company. The fidelity bond shall contain a rider which provides that the coverage of the bond extends to all officers, directors and employees of the insured who are compensated by the insured. The commissioner may require that the fidelity bond contain a rider which provides that coverage of the bond extends to all officers and directors who are not compensated by the insured. The fidelity bond may be either a primary commercial blanket bond, a blanket position bond, or a banker's blanket bond, but shall be written by an insurer who has been licensed by the Department of Insurance of the State of California. The fidelity bond shall remain in force and effect until the surety is released from liability by the commissioner or until cancelled or amended by the surety. The surety may cancel or amend and be relieved of further liability by delivering 30 days written notice to the commissioner. Such cancellation does not affect any liability incurred or accrued on the bond prior to termination of the 30-day period. The commissioner shall by regulation prescribe the amount of fidelity coverage to be required. The sufficiency of the sureties on the bond are at all times subject to the approval of the commissioner.

18347. The commissioner may establish rules and regulations which are reasonable and necessary to carry out the purposes and provisions of this division, including rules and regulations concerning the terms, form, offer, and sale of investment certificates.

18348. Except as provided in Section 18026, nothing in this division shall be construed as affecting in any manner the power or discretion of the commissioner under the Corporate Securities Law of 1968 or any other law of this state.

18349. In addition to the duty of the commissioner to examine the application pursuant to the provisions of the Corporate Securities Law of 1968, he shall conduct such further investigation as he deems necessary. If the commissioner finds that the financial responsibility, experience, character, and general fitness of the applicant, and of the officers and directors thereof, are not such as to command the confidence of the community and to warrant the belief that the business will be operated honestly, fairly, and efficiently within the purposes of this division, he shall deny the qualification of the sale of securities.

18350. Each industrial loan company shall pay to the commissioner in advance its pro rata share of all costs and expenses, reasonably incurred in the administration of this division, as estimated by the commissioner for the ensuing year. The pro rata share shall be the proportion which a company's assets bear to the aggregate assets of all companies as shown by the latest annual reports of such companies to the commissioner. The pro rata share shall not include the costs of any examinations provided for in

Section 18392, unless they cannot be collected from the company examined.

18351. On or before the 30th day of November in each year, the commissioner shall notify each industrial loan company by mail of the amount assessed and levied against it and that amount shall be paid within 20 days thereafter. If payment is not made within 20 days, the commissioner shall assess and collect a penalty in addition to the assessment, of 1 percent of the assessment for each month or part of a month that the payment is delayed or withheld.

18352. In the levying and collection of an assessment pursuant to Section 18350, an industrial loan company shall not be assessed for nor be permitted to pay less than two hundred fifty dollars ($250) per year, or not less than twenty-five dollars ($25) per month or fraction of a month for the unexpired year ending December 31st following its incorporation.

18353. If an industrial loan company fails to pay the assessment provided in Section 18350 on or before the 30th day of December following the day upon which payment is due, the commissioner may by order summarily suspend or revoke the certificate issued to such company. If, after such an order is made, a request for hearing is filed in writing and a hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date. During any period when its certificate is revoked or suspended, a company shall not issue thrift certificates or make loans or otherwise conduct business pursuant to this division except as may be permitted by order of the commissioner; provided, however, that neither the revocation, suspension or surrender of a certificate shall affect the powers of the commissioner as provided in this division.

This section shall become operative January 1, 1969. For the purpose of making its provisions operative, the commissioner shall issue to all industrial loan companies authorized to conduct business under this division on said date a certificate of authorization to conduct business pursuant to this division in such form as the commissioner may prescribe and as provided in Section 18101 and thereafter all such companies shall be conclusively presumed to be conducting business under this division pursuant to such certificate of authorization.

18354. The commissioner may require the attendance of witnesses and examine under oath all persons whose testimony he requires relative to the affairs of an industrial loan company or to the subject matter of any examination, investigation, or hearing.

18355. Whenever, after an examination, investigation or hearing under this division, the commissioner deems it of public interest or advantage, he may certify a record to the proper prosecuting official of the county or city in which the act complained of, examined, or investigated, occurred.

18356. The commissioner may order any industrial loan company to desist from any conduct which he finds in violation of this division, or of the Corporate Securities Law of 1968, or the rules of the

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commissioner made pursuant to this division or the Corporate Securities Law of 1968.

18357. (a) If it appears to the commissioner that an industrial loan company has violated or failed to comply with the provisions of its articles of incorporation, or with any law of this state, the commissioner may by written order addressed to such company, direct that company to discontinue such violation and to comply with the law.

(b) Whenever it appears from the report of an industrial loan company or the commissioner has reason to conclude, that the capital stock of an industrial loan company is impaired or reduced below the amount required by this division, the commissioner shall by written order addressed to such company, direct that company to make good the alleged deficiency or impairment of capital. If the company fails to make good the alleged deficiency or impairment of capital, the commissioner may forthwith take possession of the property and business of the industrial loan company pursuant to Section 18368; if the company fails to make good the alleged deficiency or impairment of capital within 60 days of the date of the order, the commissioner shall take possession of the industrial loan company pursuant to Section 18368. The capital of an industrial loan company is impaired when the minimum amount of capital required by Sections 18130, 18131, or 18132 and 18134 is reduced by a net deficit balance in the company's surplus account.

18358. If it appears to the commissioner that an industrial loan company is conducting business in an unsafe or injurious manner, he may, by written order, direct the discontinuance of any such unsafe or injurious practices.

18359. Whenever he is authorized to issue an order pursuant to Section 18357 or Section 18358 of this division, the commissioner may issue an order directing an industrial loan company to discontinue or limit the sale of its investment certificates or to impound the proceeds from the sale of its investment certificates in such manner as the commissioner may specify in such order.

18360. The orders given pursuant to Sections 18357, 18358, and 18359 shall require such industrial loan company to show cause before the commissioner, at a time and place to be fixed by the commissioner, why the order should not be observed. If upon the hearing it appears to the commissioner that the order should be made final he shall do so.

18361. After any order is made final, the industrial loan company shall have 10 days in which suit may be commenced to restrain enforcement of such order and unless such action is commenced and enforcement of the final order is enjoined within 10 days by the court in which such suit is brought, the company shall comply with the final order.

18362. If the commissioner believes that an industrial loan company or its directors, officers, agents, or employees have violated or are about to violate any of the provisions of this division, or any

provision of an order, license, permit, decision, demand, or requirement of the commissioner, the commissioner may bring an action against such persons to enjoin those persons from continuing the violation or the attempt to violate this division, or doing any act in furtherance thereof. The commissioner shall bring such action in the name of the people in the superior court, and the court may enter an order or judgment awarding a preliminary or final injunction as is proper.

18363. The commissioner may order an industrial loan company to suspend the redemption of investment certificates or the payment of the liabilities of the company or limit the payment of the liabilities in such manner as he prescribes, if it appears to the commissioner that such action is necessary for the protection of the company, its investors or creditors, or in the public interest. The order is effective upon receipt of notice by the company and continues in effect until rescinded or modified by the commissioner in a writing delivered to the manager or executive officer of the company. Nothing in this section shall affect the right of any company to pay its current operating expenses and liabilities incurred during the period of suspension or limitation.

18364. After an order of suspending or limiting the payment of liabilities is effective and until that order is rescinded, the industrial loan company shall make no assignment or hypothecation of any indebtedness due to it from an investor without first crediting thereon the investment liability of the company to such investor-borrower.

18365. The authority granted to the commissioner by Section 18363, may be exercised by him in conjunction with all other powers granted by this chapter, or independently from them.

18366. Every order, decision, license, or other official act of the commissioner is subject to review in accordance with law. Upon review, the burden of proof lies upon the appellant, and the court shall receive and consider any pertinent evidence which was introduced in the formal hearing before the commissioner, whether oral or documentary, concerning the action of the commissioner under review. The review is limited to a consideration and determination of the question of whether there has been an abuse of discretion on the part of the commissioner in making such order, decision, finding, requirement, or rule.

18367. (a) If at any time the commissioner is of the opinion that the further sale of investment certificates by an industrial loan company would be unfair, unjust or inequitable to the purchasers of its investment certificates, the commissioner may, notwithstanding any other provision of this division, order the company to desist and refrain from the further sale of its investment certificates.

(b) The company named in any order issued pursuant to subdivision (a) of this section may, within 15 days after receipt thereof, file with the commissioner its written request for hearing. The filing of such request shall not operate to postpone or suspend

the effectiveness of any order issued by the commissioner unless otherwise directed by the commissioner. The commissioner shall, within 15 days after the receipt of such written request or at such later time as may be mutually agreed with the company, cause such matter to be heard and shall thereafter issue his final decision. Such decision may be amended or set aside by the commissioner at any time.

(c) Every order or decision of the commissioner made pursuant to this section is subject to judicial review in accordance with law.

18368. Whenever it appears to the commissioner that:

(a) The capital of an industrial loan company is impaired;

(b) An industrial loan company has violated its articles of incorporation or any law of this state;

(c) An industrial loan company is conducting its business in an unsafe or unauthorized manner;

(d) An industrial loan company refuses to submit its books, papers, and affairs to the inspection of any examiner;

(e) An officer of any industrial loan company refuses to be examined upon oath touching the concerns of such industrial loan company;

(f) An industrial loan company has suspended payment of its obligations;

(g) An industrial loan company is in such condition that it is unsound or unsafe for it to transact business;

(h) An industrial loan company neglects or refuses to observe any order of the commissioner made pursuant to this division, unless the enforcement of such order is restrained in a proceeding brought by the industrial loan company;

(i) An industrial loan company fails to participate as a member of Thrift Guaranty Corporation of California in accordance with Chapter 7 (commencing with Section 18475) of this division or fails to pay any assessment levied pursuant thereto within the time specified;

(j) An industrial loan company has sold or issued investment certificates in violation of the provisions of this division;

(k) An industrial loan company has failed to maintain in effect a bond required under the provisions of this division; or

(*l*) Any fact or condition exists which, if it had existed at the time of the original application for authority to organize and establish a corporation to engage in the industrial loan business reasonably would have warranted the commissioner in disapproving the application;

the commissioner may forthwith take possession of the property and business of such industrial loan company and retain possession until such industrial loan company resumes business or its affairs be finally liquidated as herein provided. Such industrial loan company, with the consent of the commissioner, may resume business upon such conditions as he may prescribe.

18369. Whenever the commissioner has taken possession of the

property and business of an industrial loan company, such industrial loan company, within 10 days after such taking, if it deems itself aggrieved thereby, may apply to the superior court in the county in which the head office of such industrial loan company is located to enjoin further proceedings. The court, after citing the commissioner to show cause why further proceedings should not be enjoined and after a hearing and a determination of the facts upon the merits may dismiss such application or enjoin the commissioner from further proceedings and direct him to surrender the property and business to such industrial loan company, or make such further order as may be just.

18370. An appeal may be taken from the judgment of the court by the commissioner or by the industrial loan company in the manner provided by law for appeals from the judgment of a superior court. An appeal from the judgment of the court does not operate as a stay of the judgment unless the court, on good cause, so orders. No bond need be given if the appeal be taken by the commissioner but if the appeal be taken by the industrial loan company a bond shall be given as required by Section 943 of the Code of Civil Procedure as a condition to any stay.

18371. When the commissioner takes possession of the property and business of an industrial loan company for the purpose of liquidation or conservation, he may liquidate or conserve the company in the manner and pursuant to the procedures provided by Division 1 of this code. In such a liquidation or conservation the commissioner shall have the same authority with reference to industrial loan companies as are vested in the Superintendent of Banks by this code with reference to banks and in addition may deposit moneys coming into his hands in the course of liquidation in one or more state or national banks.

Article 2. Examinations

18390. For the purpose of discovering violations of this division or securing information required by him, the commissioner may at any time investigate the affairs and examine the books, accounts, records, and files used in the business of every corporation engaged in the business of an industrial loan company or broker, whether such corporation acts or claims to act as principal or agent, or under or without the authority of this division. For the purposes of examination and investigation the commissioner and his duly designated representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes and vaults of all such corporations.

18391. Whenever in the judgment of the commissioner the condition of any industrial loan company renders it necessary or expedient to devote any extraordinary attention to its affairs, the commissioner may make any extra examination or investigation and perform any necessary services in connection with its affairs.

18392. The industrial loan company examined shall pay to the commissioner the actual cost of any examination, investigation or services, including the actual amount of salary or other compensation paid to the persons making such examination or investigation or rendering services, and overhead costs in connection therewith as fixed by the commissioner.

18393. The commissioner shall, upon receipt of written notification by an industrial loan company that it intends to engage in or is engaging in transactions permitted under Section 18209, make an examination of the affairs and records of each such industrial loan company at least once each year. Such examination shall be made or performed unless such company notifies the commissioner of its election to discontinue such activity and gives evidence that it has disposed of all evidences of indebtedness arising from any such transactions.

Article 3. Reports and Financial Statements

18405. (a) On or before the 15th day of March of every year, each industrial loan company shall file with the commissioner an audit report containing audited financial statements together with such other relevant information as the commissioner may require relating to the company and to each place of business of the company. The audited financial statements shall include a balance sheet of the company prepared as of the last day of the preceding calendar year and statements of income and of surplus for such calendar year.

(b) An industrial loan company whose certificate has been surrendered or revoked shall, on or before 105 days after the effective date of such surrender or revocation, submit to the commissioner a closing audit report containing audited financial statements as of such effective date for the 12 months ending with such effective date, or for such other period as the commissioner may specify. Such report shall include the information required by subdivision (a) of this section and other relevant information specified by the commissioner. A company which has complied with this subdivision is exempted from the provisions of subdivision (a).

(c) The reports and financial statements referred to in subdivisions (a) and (b) shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by a report, certificate, or opinion of an independent certified public accountant or independent public accountant, and shall contain such relevant information as the commissioner may require. The audits shall be conducted in accordance with generally accepted auditing standards and the rules and regulations of the commissioner.

(d) For good cause and upon written request, the commissioner may extend the time for compliance with subdivisions (a) and (b).

(e) If the report, certificate or opinion of the independent accountant referred to in subdivision (c) hereof is in any way

qualified, the commissioner may require the company to take such action as he deems appropriate to permit an independent accountant to remove such qualification from the report, certificate or opinion.

(f) The commissioner may reject any financial statement, report, certificate or opinion filed pursuant to this section by notifying the company required to make such filing of its rejection and the cause thereof. Within 30 days after the receipt of such notice, the company shall correct such deficiency, and the failure so to do shall be deemed a violation of this division. The commissioner shall retain a copy of all filings so rejected.

18406. Each industrial loan company which has issued and which has outstanding investment certificates shall:

(a) Post in a conspicuous and prominent place in each business location a condensed statement of its financial condition, and

(b) Furnish to a person prior to such person's investment in an investment certificate a copy of its latest condensed statement of its financial condition. Each year a copy of the condensed statement shall be furnished by mail or hand-delivered to each investment certificate holder.

(c) Maintain and have available for public inspection a copy of its latest audited financial statement required by subdivision (a) of Section 18405 in each of its business locations. Any person shall, upon request, be permitted to inspect the statement during regular business hours.

(d) The statement required by subdivisions (a) and (b) shall set forth such information and be in such form as may be required by the commissioner.

18407. An industrial loan company shall, when requested by the commissioner, submit its unaudited financial statements, prepared in accordance with generally accepted accounting principles and consisting of at least a balance sheet and a statement of income as of the date and for the period specified by the commissioner. The commissioner may require the submission of such reports on a monthly or other periodic basis.

18408. An industrial loan company shall make other special reports to the commissioner as the commissioner may from time to time require.

18409. The commissioner shall make and file annually with the Department of Corporations as a public record a composite of reports filed by industrial loan companies, and any comments thereon that he deems in the public interest.

18410. For the purposes of the composite report provided for by Section 18409, an industrial loan company shall furnish statistical information as is reasonably required by the commissioner, including information for each place of business of the company and as to any parent, subsidiary or affiliated company.

18411. The commissioner may by rule or regulation specify the form and contents of the financial statements, reports, certificates

and opinions required to be filed pursuant to this article, and may require that such reports and financial statements be verified in such manner as he may prescribe.

18412. On or before June 15th of each odd-numbered year, the commissioner shall compile and send to the Commissioner of Insurance the total dollar amount of all death and disability claims paid on insured borrowers together with data from which the amounts at risk may be calculated, the sum of the total charges collected by industrial loan companies for such insurance, and data as to the actual costs to such companies for providing and servicing such insurance (excluding any sums paid to or received from insurance companies) for each of the 12 months during each of the preceding years being reported upon. The Commissioner of Insurance shall study the data so furnished by the Commissioner of Corporations together with any trend factors established by other California credit life and credit disability insurance experience and shall promulgate and establish a general regulation fixing the maximum which may be charged for such insurance by industrial loan companies hereunder having due regard to the relation of the total amount of death and disability claims paid to the amounts at risk during the same period, and a reasonable margin for contingencies and cost and compensation to industrial loan companies for providing and servicing such insurance, plus the premium taxes payable on the probable premiums to be charged by insurers, plus the probable, but not unreasonable, markup to be added by insurers to the risk cost. Any such changed maximum rate of premium or identifiable charge shall not affect any insurance then in force on borrowers. Any regulation under this section shall be adopted after a hearing and in accordance with Chapter 4.5 (commencing with Section 11371), Part 1, Division 3, Title 2 of the Government Code.

CHAPTER 6. PROHIBITED PRACTICES AND PENALTIES

18435. Any person who willfully violates or willfully participates in the violation of any of the rules, orders, and regulations of the commissioner, or the provisions of this division is guilty of a misdemeanor.

18436. An industrial loan company shall not, directly or indirectly, make any loan of money or property to or guarantee the obligation of any of its directors or officers.

18437. An industrial loan company shall not make any loan to, or purchase or discount bona fide trust receipts secured or unsecured, choses in action, security agreements or conditional sales contracts or any other property from persons who do not reside or have a place of business in the State of California, unless the loan or purchase complies with all of the following conditions:

(a) If the loan or thing purchased is unsecured, then only if the loan or thing purchased bears the unqualified written guaranty of a financially responsible person, considering the amount of the

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obligation, who resides or has a place of business in the State of California.

(b) If the documents and security for the loan or the thing purchased or discounted and all records relating to the transaction are in California at the time the loan or purchase or discount is made and are thereafter kept in California while the loan or thing purchased or discounted remains unsatisfied, except that where the security is aircraft, such security need not be in California at the time the loan or purchase or discount is made, nor need it thereafter be held in California while the loan or thing purchased or discounted remains unsatisfied.

18438. If a loan is made or other thing is purchased or discounted in violation of Section 18271, 18272, 18273, 18274, or 18437, the officers, directors and shareholders of the industrial loan company participating therein or knowingly approving the same shall be personally liable for any loss suffered by the industrial loan company by reason thereof.

18439. If any amount in excess of the charges permitted by this division, including interest, is charged, contracted for, or received in the making or collection of a contract of loan, except as a result of an accidental and bona fide error in computation, such contract is void and no person has any right to collect or receive the principal, interest, or charges.

18440. An industrial loan company shall not take any confession of judgment or any power of attorney at the time of making the loan except a power of attorney taken to effectuate the transfer of the ownership of any motor vehicle, the transfer of the ownership of securities, or the cancellation of an insurance policy and the receipt and distribution of any unearned premiums in the event of default in the payment of a loan made to finance the purchase of any such insurance policy.

18441. No person in connection with or incidental to the making of any loan under this division, shall require the borrower to contract for, purchase, or agree to purchase anything in connection with the loan. A policy of insurance of the type specified in Article 6 (commencing with Section 18290) of Chapter 3 of this division is not prohibited by this section.

No person shall require a borrower to enter into any collateral sales agreement or contract except as expressly permitted by this division.

18442. An industrial loan company shall not make any loan of money or property to or guarantee the obligation of any person upon the security of the shares of capital stock of the company.

18443. If any loan or guaranty is made in violation of Section 18436 or 18442, the directors and officers who authorize it or assent thereto are jointly and severally liable to the company as guarantors for the repayment or return of the sum or value so loaned with interest thereon at the rate of 6 percent per year until paid.

18444. Any officer or director held liable under Section 18443, who satisfies such liability is entitled to contribution from any other

officer or director who participates in authorizing, making or allowing any such loan or guaranty, and is subrogated to all rights of the corporation against the borrower or principal obligor.

18445. Any director, officer, or employee of an industrial loan company who asks for or receives, or consents or agrees to receive any commission, emolument, or gratuity or any money, property, or thing of value for procuring or endeavoring to procure for any person any loan from such company, or the purchase or discount of any note, contract, or other obligation or property by such company, is guilty of a felony.

18446. Any director, officer, or employee of an industrial loan company who knowingly receives or possesses himself of any of its property otherwise than in payment of a just demand, or with intent to defraud, omits to make or causes to be made a full and true entry thereof in its books and accounts or concurs in omitting to make any material entry thereof, is guilty of a felony.

18447. Any director, officer, or employee of an industrial loan company who knowingly makes or concurs in making or publishing any false entry in its books or records, any written report, exhibit, or statement of its affairs or pecuniary condition containing any material statement which is false, or having the custody of its books, willfully refuses or neglects to make any proper entry in such books as required by law, or to exhibit or allow the same to be inspected or extracts to be taken therefrom by the commissioner or his deputies or investigators, is guilty of a felony.

18448. No director, officer, or employee of an industrial loan company shall purchase, directly or indirectly, or be interested in the purchase of, any of the company's assets for an amount less than the then current market value thereof and any such purchase may not be made without the express approval of the board of directors of the company. Every person violating this section shall be liable to the company for twice the market value of the assets so purchased.

18449. Every director of an industrial loan company who:

(a) In case of the fraudulent insolvency of such company, shall have participated in such fraud; or

(b) Willfully does any act as such director which is expressly forbidden by law or willfully omits to perform any duty imposed upon him as such director by law,

is guilty of a misdemeanor.

The insolvency of a company is deemed fraudulent for the purposes of this section, unless its affairs appear upon investigation to have been administered clearly, legally, and with the same care and diligence that agents receiving a compensation for their services are bound by law, to observe.

18450. A director, officer, or employee of an industrial loan company, who concurs in any vote or act by which it is intended to make a loan or purchase a contract in violation of this division, is guilty of a misdemeanor.

18451. A director, officer, or employee of an industrial loan

company, who makes or maintains, or attempts to make or maintain, a deposit of such company's funds with any other person on condition, or with the understanding, express or implied, that the person receiving such deposit make a loan or advance, directly or indirectly, to any director, officer, or employee of the company so making or maintaining or attempting to make or maintain such deposit, is guilty of a misdemeanor.

18452. Every officer or employee of an industrial loan company who sells investment or thrift certificates knowing that the company is insolvent, is guilty of a misdemeanor.

18453. Any person who knowingly sells investment certificates in violation of any provision of this division or any order or regulation of the commissioner, is guilty of a felony.

18454. Any director, officer, agent or employee of an industrial loan company, who willfully makes a false or untrue entry in any book or record or in any report, tag, or statement of the business, affairs, or condition, or in connection with any transaction of such company, with intent to deceive any officer, director, or employee thereof, or any agent or examiner, private or official, employed or lawfully appointed to examine into its condition or any of its affairs or transactions, or to any public officer who has authority to examine into its affairs or transactions, or who, with like intent, willfully omits to make a new entry of any matter particularly pertaining to the business property condition, affairs, transactions, assets or accounts of such company in any book, record, report, statement, or tag of such company, or who, with like intent, alters, abstracts, conceals, or destroys any book, record, report, statement, or tag of such company made, written, or kept, or required to be made, written, or kept by him or under his direction, is guilty of a felony.

18455. An industrial loan company shall not, directly or indirectly, make any loan to, or purchase a contract or chose in action from:

(a) A person who is an officer, director, or holder of record or beneficiary of 10 percent or more of the shares of the industrial loan company.

(b) A person in which an officer, director or holder of record or beneficiary of 10 percent or more of the shares of the industrial loan company directly or indirectly is financially interested, directly or indirectly.

(c) A person who acquired such contract directly or indirectly or through intervening assignments from a person described in subdivision (a) or (b).

Any officer, director or shareholder of an industrial loan company who directly or indirectly makes or procures or participates in making or procuring a loan or contract in violation of this section or knowingly approves the same is personally liable for any loss resulting to an industrial loan company from such loan or contract (in addition to any other penalties provided by law).

The prohibition contained in this section shall not apply to the

purchase by an industrial loan company of a contract or chose in action from a personal property broker provided written authorization for such purchase is obtained from the commissioner.

CHAPTER 7. GUARANTEE OF THRIFT ACCOUNTS

Article 1. Definitions

18475. "Guaranty Corporation" means Thrift Guaranty Corporation of California which was formed under General Nonprofit Corporation Law, Part 1 (commencing with Section 9000), Division 2, Title 1, Corporations Code.

18476. (a) "Member" means an industrial loan company required by Section 18521 to be a member of Guaranty Corporation. "Member" includes "new member" except where the term "new member" is used in the same section or subsection.

(b) "New member" means a member which had no outstanding thrift obligations as of the last day of the calendar year preceding the year in which an assessment is made, and which has not filed with the commissioner an undertaking not to issue thrift obligations.

18477. "Thrift obligations" as used in this chapter include principal invested in investment or thrift certificates however evidenced, and unpaid interest thereon accrued as of the last interest accrual date prior to the date the commissioner takes possession of the property and business of a member or the date such member is declared bankrupt, whichever occurs sooner.

Article 2. General

18490. When the property and business of a member has been liquidated or is in the process of liquidation by the commissioner and the proceeds of liquidation distributed ratably are insufficient to pay up to ten thousand dollars ($10,000) of each thrift obligation specified in Section 18523, the commissioner shall direct Guaranty Corporation to pay and Guaranty Corporation shall pay each such deficiency at the direction of and in amounts as directed by the commissioner within 120 days from the date the commissioner makes demand for payment. If the total funds available from Guaranty Corporation at such time are insufficient to pay in full the amounts provided by Section 18523, the amount paid to each thriftholder shall be ratably reduced in proportion to the amount by which the fund is deficient, and thereafter further payments shall be made ratably to such thriftholders in accordance with the directions of the commissioner as additional funds are paid into the guarantee fund from assessments or otherwise. When such thrift obligations are paid, each member's account shall be reduced ratably based on the account balance for the total amount paid.

18491. (a) When the property and business of a member is being liquidated the commissioner may direct Guaranty Corporation to

pay and Guaranty Corporation shall pay any deficiency up to ten thousand dollars ($10,000) of each thrift obligation specified in Section 18523 as estimated by the commissioner. The commissioner's estimate shall be based upon an examination and evaluation of the company's loans, receivables, and other assets. Payments by Guaranty Corporation shall be made ratably to such thriftholders in accordance with the directions of the commissioner.

(b) When any thrift obligation of ten thousand dollars ($10,000) or less is paid in full, or that portion of any thrift obligation in excess of ten thousand dollars ($10,000) is paid up to ten thousand dollars ($10,000), pursuant to subdivision (a), Guaranty Corporation shall be assigned all rights, title, and interest to each individual thrift obligation up to the amount paid by Guaranty Corporation to each individual thriftholder. In the event that a thrift obligation is in excess of ten thousand dollars ($10,000), is a thrift obligation specified in Section 18523, and Guaranty Corporation has paid the deficiency in full up to ten thousand dollars ($10,000), Guaranty Corporation shall first receive ratable liquidation proceeds up to the amount of any deficiency paid by Guaranty Corporation to a thriftholder prior to any payment of liquidation proceeds to the thriftholder whose account was in excess of ten thousand dollars ($10,000) so that in these circumstances all liquidation proceeds after payment of the deficiency by Guaranty Corporation will first go to Guaranty Corporation for the amount of its assigned claim before any payment is made to such thriftholder.

(c) For purposes of this section the term "deficiency" is defined as that amount of an individual thriftholder's thrift obligation of ten thousand dollars ($10,000) or less which an industrial loan company cannot honor due to insolvency or any other reason and which Guaranty Corporation is directed to pay by the commissioner pursuant to subdivision (a) of this section.

18492. The commissioner shall not direct Guaranty Corporation in any one calendar year to pay any thrift obligations that exceed in the aggregate the total in the fund after allowance for all amounts to be added to such accounts during such year by assessment as provided in this chapter.

18493. Whenever it appears to the commissioner that Guaranty Corporation has:

(a) Violated its articles of incorporation or any law of this state;

(b) Not paid amounts as directed by the commissioner pursuant to Section 18490;

(c) Invested its funds in violation of Section 18497;

(d) Not levied assessments as required by Sections 18535 and 18536;

(e) Has not brought and diligently prosecuted an action to enforce payment as required by Section 18538;

(f) Violated any section of this chapter; or

(g) Neglected or refused to submit its books, papers, and affairs to the inspection of any examiner;

the commissioner may forthwith take possession of the property and business of Guaranty Corporation and retain possession until Guaranty Corporation satisfies the commissioner that it will operate in conformity with this chapter. During the time the commissioner has such possession he shall perform the duties and carry out the obligations of Guaranty Corporation.

18494. Whenever the commissioner has taken possession of the property and business of Guaranty Corporation, Guaranty Corporation within 10 days after such taking, if it deems itself aggrieved thereby, may apply to the superior court in the county in which the head office of Guaranty Corporation is located to enjoin further proceedings. The court, after citing the commissioner to show cause why further proceedings should not be enjoined, and after a hearing and a determination of the facts upon the merits, may dismiss such application or enjoin the commissioner from further proceedings and direct him to surrender the property and business to Guaranty Corporation, or make such further order as may be just.

18495. An appeal may be taken from the judgment of the court by the commissioner or by Guaranty Corporation in the manner provided by law for appeals from the judgment of a superior court. An appeal from the judgment of the court does not operate as a stay of the judgment unless the court, on good cause, so orders. No bond need be given if the appeal be taken by the commissioner but if the appeal be taken by Guaranty Corporation a bond shall be given as required by Sections 917.2 and 917.5 of the Code of Civil Procedure as condition to any stay.

18496. (a) Guaranty Corporation shall have authority to submit reports and make recommendations to the commissioner regarding the financial condition of any member. Such reports and recommendations shall not be public documents. There shall be no liability on the part of, and no cause of action of any nature shall arise against, Guaranty Corporation or its members, directors, officers, employees or agents, or the commissioner or his authorized representatives, for any statements made by them in any reports or recommendations made hereunder.

(b) In order to permit Guaranty Corporation to fulfill its obligations under subdivision (a), upon the written request of Guaranty Corporation the commissioner may furnish to Guaranty Corporation a copy of unaudited financial statements filed by an industrial loan company pursuant to Section 18407 or 18408 and a copy of the commissioner's analysis of an industrial loan company's receivables. There shall be no liability on the part of, and no cause of action of any nature shall arise against the State of California, the commissioner or members of his staff or his authorized representatives, for the release of any information furnished to Guaranty Corporation pursuant to this subdivision. Such financial statements and analysis furnished pursuant to this subdivision shall not be public documents, and the information contained therein shall be privileged and confidential to Guaranty Corporation for its

sole use in carrying out its statutory functions.

(c) Guaranty Corporation, in order to fulfill its obligations under subdivision (a), may appoint an independent certified public accountant or public accountant to prepare an audit report containing audited financial statements, together with such other information as Guaranty Corporation, in good faith, requires regarding the financial condition of any member, or, upon notification to a member company of a possible impairment of capital of such member company and after notice to the commissioner, Guaranty Corporation may appoint an investigative committee or hire a specialized employee to investigate the operations of the member company. Costs and expenses for said audit report or special investigation report shall be paid by Guaranty Corporation.

(d) Guaranty Corporation, any member of Guaranty Corporation, an agent of Guaranty Corporation or of its members, or any person who uses any information obtained under subdivision (b) or (c) of this section for any purpose not authorized by subdivision (a) is guilty of a misdemeanor.

18497. Guaranty Corporation may invest its funds only as provided by rules of the commissioner adopted with a view to preserving reasonable liquidity.

18498. Income from investments shall be recorded in an income account and be used to defray expenses of administration. Income from investments that exceeds an amount determined by the board of directors to be adequate to provide for current expenses may be credited to members' accounts. Each member's account shall receive credit ratably based on the account balance, for the amount of the excess. Income received by Guaranty Corporation, whether or not credited to members' accounts, shall be subject to a demand of the commissioner made pursuant to Section 18490 except as to that portion reserved by the board of directors for expenses of administration during the calendar year.

18499. Expenses of administration that exceed income from investments at year end shall be charged to members' accounts. Each member's account shall be charged ratably based on the account balance for the amount of the excess.

18500. Guaranty Corporation shall have authority to borrow funds when necessary to effectuate the provisions of this chapter.

18501. The commissioner shall give prompt notice to Guaranty Corporation when the commissioner takes possession of the property and business of a member and shall give further prompt notice when the commissioner determines to liquidate the property and business of a member.

18502. Memberships issued by Guaranty Corporation shall be nontransferable and shall be exempt from the provisions of the Corporate Securities Law of 1968.

18503. The operation of Guaranty Corporation shall at all times be subject to the regulation of the commissioner and his duly

designated representatives. The commissioner and his duly designated representatives may at any time investigate the affairs and examine the books, accounts, records and files used by Guaranty Corporation. The commissioner and his duly designated representatives shall have free access to the offices, books, accounts, papers, records, files, safes, and vaults of Guaranty Corporation.

18504. Any member aggrieved by any action or decision of Guaranty Corporation may appeal to the commissioner within 30 days from the action or decision.

18505. Guaranty Corporation shall not advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to its plan of operation without first obtaining the written nondisapproval of the commissioner.

18506. No person shall advertise, print, display, publish, distribute or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to its membership in Thrift Guaranty Corporation of California or that any of its thrift obligations are in any manner guaranteed unless the amount of the guarantee fund is in excess of one-half of 1 percent of the total outstanding thrift obligations of all members as shown on the most recent independent audit reports required by subdivision (a) of Section 18405 and without first obtaining the written approval of the commissioner. All such advertising shall include the following statement: "Accounts protected up to a maximum of $10,000 by Thrift Guaranty Corporation of California only as provided in the California Financial Code."

18507. In order to permit Guaranty Corporation to fulfill its obligations under this chapter, the commissioner shall furnish to Guaranty Corporation a list of all industrial loan companies which have outstanding thrift obligations and one copy of the independent audit report on each such industrial loan company filed with him as of the preceding December 31 and not later than April 1 of each year.

18508. When any member has redeemed its outstanding thrift obligations and has filed an undertaking with the commissioner not to issue thrift obligations, that member shall be entitled to receive from Guaranty Corporation its account balance in Guaranty Corporation, subject to the following conditions:

(a) No payment will be made to the member if, in the opinion of the commissioner, the amount in the member's account balance may be needed to pay obligations of Guaranty Corporation under Section 18490.

(b) Written approval from the commissioner to Guaranty Corporation authorizing Guaranty Corporation to pay the member.

(c) The amount paid to the member at any one time shall not reduce the total amount in the fund (less any then unpaid demand made by the commissioner pursuant to Section 18492) on the

preceding March 15 below one million dollars ($1,000,000) nor below one-half of 1 percent of the total outstanding thrift obligations of all members as shown on the most recent independent audit reports required by Section 18405.

(d) No payment will be made to the member for a period of one year from the March 15 following the date the member has filed the undertaking with the commissioner.

(e) If more than one member becomes entitled to receive any payment under this section as of March 15 of any year, and the funds available from Guaranty Corporation are not sufficient to pay each member in full, the members shall share the funds on a pro rata basis. However, all amounts due, but not paid, to members previously filing an undertaking, shall be paid in full before newly entitled members are paid.

18509. If Guaranty Corporation is dissolved, subject to the approval of the commissioner, the net assets after settling all liabilities shall be distributed to the members based on their account balances.

Article 3. Purpose and Scope of Guaranty Corporation

18520. It shall be the purpose of Guaranty Corporation to guarantee full payment of thrift obligations of members up to ten thousand dollars ($10,000) for each account, subject to the express limitations provided in this chapter.

18521. Each industrial loan company which has issued and has outstanding thrift obligations shall, as a condition to its authority to conduct business under this division, participate as a member in Guaranty Corporation in accordance with this chapter and rules established by the Board of Directors of Guaranty Corporation.

18522. If the commissioner finds that for any reason Guaranty Corporation fails to adopt suitable amendments to its plan of operation, the commissioner shall adopt and promulgate rules as necessary or advisable to effectuate the provisions of this chapter. Such rules shall continue in force until superseded by a plan of operations adopted by Guaranty Corporation and approved by the commissioner.

18523. The following described thrift obligations will be guaranteed by Guaranty Corporation in the amounts hereinafter set forth below:

(a) Single ownership accounts. Funds owned by an individual and invested in the manner set forth below shall be added together and guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(1) Individual accounts (or accounts of the husband-wife community of which the individual is a member) and invested in one or more accounts in his own name shall be guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(2) Funds owned by a principal and invested in one or more

accounts in the name or names of agents or nominees shall be added to any individual accounts of the principal and guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(3) Accounts held by guardians, custodians or conservators for the benefit of his ward or for the benefit of a minor under a Uniform Gifts to Minors Act and invested in one or more accounts in the name of the guardian, custodian or conservator shall be added to any individual accounts of the ward or minor and guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(b) Testamentary accounts.

(1) Funds owned by an individual and invested in a revocable trust account, tentative or "Totten" trust account, payable-on-death account or similar account evidencing an intention that on his death the funds shall belong to his spouse, child or grandchild, shall be guaranteed up to ten thousand dollars ($10,000) in the aggregate as to each such named beneficiary, separately from any other accounts of the owner.

(2) If the named beneficiary of such an account is other than the owner's spouse, child or grandchild, the funds in such account shall be added to any individual accounts of such owner and guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(c) Accounts held by executors or administrators. Funds of a decedent held in the name of the decedent or in the name of the executor or administrator of his estate and invested in one or more accounts shall be guaranteed up to ten thousand dollars ($10,000) in the aggregate, separately from the individual accounts of the beneficiaries of the estate or of the executor or administrator.

(d) Corporation or partnership accounts. Accounts of a corporation or partnership engaged in any independent activity shall be guaranteed up to ten thousand dollars ($10,000) in the aggregate. An account of a corporation or partnership not engaged in an independent activity shall be deemed to be owned by the person or persons owning such corporation or comprising such partnership and, for guarantee purposes, the interest of each person in such account shall be added to any other accounts individually owned by such person and guaranteed up to ten thousand dollars ($10,000) in the aggregate. The term "independent activity" means any activity other than one directed solely at increasing guarantee coverage under this chapter.

(e) Unincorporated associations. Accounts of an unincorporated association engaged in any independent activity shall be guaranteed up to ten thousand dollars ($10,000) in the aggregate. An account of an unincorporated association not engaged in an independent activity shall be deemed to be owned by the persons comprising such association and, for guarantee purposes, the interest of each owner in such account shall be added to any other accounts individually owned by such person and guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(f) Joint accounts:

(1) Accounts owned jointly, whether as joint tenants with right of survivorship, as tenants by the entireties, as tenants in common, or by husband and wife as community property, shall be guaranteed separately from accounts individually owned by the coowners.

(2) A joint account shall be deemed to exist, for purposes of guarantee of accounts, only if each coowner has personally executed an account signature card and possesses redemption rights.

(3) An account owned jointly which does not qualify as a joint account for purposes of guarantee of accounts shall be treated as owned by the named persons as individuals and the actual ownership interest of each such person in such account shall be added to any other accounts individually owned by such person and guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(4) All joint accounts owned by the same combination of individuals shall first be added together and guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(5) The interest of each coowner in all joint accounts owned by different combinations of individuals shall then be added together and guaranteed up to ten thousand dollars ($10,000) in the aggregate.

(g) Trust accounts. All trust interests for the same beneficiary invested in accounts established pursuant to valid trust arrangements created by the same settlor (grantor) shall be added together and guaranteed up to ten thousand dollars ($10,000) in the aggregate, separately from other accounts of the trustee of such trust funds or the settlor or beneficiary of such trust arrangements.

(h) Thrift obligations withdrawn by checks that have not cleared a member's bank account at the time the commissioner has taken possession of the property and business of a member. The owner of the funds represented by such a check will be recognized for all purposes of claim for guaranteed thrift obligations to the same extent as if his name and interest were disclosed on the records of the member.

18524. The guarantees provided in this chapter shall not apply to the thrift obligations of any industrial loan company, the capital of which is impaired on the effective date of this chapter unless the capital impairment is eliminated subsequent to such effective date.

Article 4. Assessments

18535. Guaranty Corporation shall establish and maintain a guarantee fund as follows:

(a) Each new member shall pay fifty thousand dollars ($50,000) to the guarantee fund to become a member.

(b) If the total amount in the fund (less any then unpaid demand made by the commissioner pursuant to Section 18492) on March 15 of any year hereafter is less than 1½ percent of the total outstanding thrift obligations of all members as shown on the most recent independent audit reports required by Section 18405, then on or

before May 1 of that year Guaranty Corporation shall levy an assessment. Each member shall be assessed an amount equal to fifteen-hundredths of 1 percent of its outstanding thrift obligations as shown on its most recent independent audit report required by Section 18405.

(c) Whenever the total amount in the fund (less any then unpaid demand made by the commissioner pursuant to Section 18492) on March 15 of any year hereafter is in excess of 1½ percent of the total outstanding thrift obligations of all members as shown on the most recent independent audit reports required by Section 18405, Guaranty Corporation shall then refund to its members an amount equal to such excesses. Each member that has paid assessments in an amount equal to 1½ percent of its total outstanding thrift obligations shall receive a part of the refund in proportion to the total aggregate assessment contributions the member has made to Guaranty Corporation. Payments currently due and payable pursuant to Section 18508 shall be paid before any refund is made pursuant to this subdivision.

(d) Notwithstanding the provisions of subdivisions (b) and (c), each member that has not paid assessments in an amount equal to 1½ percent of its total outstanding thrift obligations as shown on the most recent independent audit report required by Section 18405 shall continue to be assessed an amount equal to fifteen-hundredths of 1 percent of its outstanding thrift obligations as shown on its most recent independent audit report required by Section 18405.

(e) Notwithstanding the provisions of subdivision (c), Guaranty Corporation shall withhold any refund to members during any period when a member is in the process of liquidation by the commissioner, and it shall further assess members during any calendar year in which the fund has been reduced by a demand of the commissioner provided the aggregate assessments during the year do not exceed the amount provided in subdivision (b).

18536. Guaranty Corporation shall send a written notice of assessment to each member assessed within 10 days after the levy of any assessment. Amounts assessed shall be paid to Guaranty Corporation by each member assessed not later than 90 days following written notice of assessment.

18537. A report of each levy of assessment shall be made to the commissioner within 10 days after the levy.

18538. In the event any member fails to pay an assessment when due, Guaranty Corporation shall report such default in writing to the commissioner within 24 hours of such default, and shall within 30 days after default bring an action in law or in equity to enforce payment. If Guaranty Corporation does not bring such action within the time specified, the commissioner may bring an action in law or in equity to enforce such payment.

CHAPTER 8. INSURANCE PREMIUM FINANCING

Article 1. Definitions

18560. "Premium finance agency" means any industrial loan company incorporated under this division which, by the terms of its authority to engage in the industrial loan business, is not permitted to issue or sell investment certificates and its business is limited to that set forth in this chapter.

18561. Such terms relating to insurance as are used in this chapter shall have the meaning ascribed to them in the Insurance Code and in the practices of the insurance business.

18562. As used in this chapter, "insured" means the person who has purchased or arranged to purchase an insurance contract and who enters into a premium finance agreement with a premium finance agency.

18563. As used in this chapter, "premium financing" means the activities of a company engaging in the business of advancing money directly or indirectly to an insurer or producer at the request of an insured pursuant to the terms of a premium finance agreement, wherein the insured has assigned the unearned premiums, accrued dividends or loss payments as security for such advancement in payment of premiums on insurance contracts only, and does not include the financing of insurance contract premiums purchased in connection with the financing of goods and services. The amount of such advancement in payment of premiums must bear a reasonable relationship to the premium or premiums being financed.

18564. As used in this chapter, "premium finance agreement" means a loan contract, note, agreement or obligation by which an insured agrees to pay to a company in installments the principal amount advanced by the company to an insurer or producer in payment of premium on an insurance contract or contracts, plus charges, with the assignment as security therefor of the unearned premiums, accrued dividends or loss payments, the final installment due date of the agreement not to extend beyond the term of the insurance contract included in the agreement having the latest expiration date.

18565. As used in this chapter, "company" means a premium finance agency.

18566. As used in this chapter, "principal balance" means the difference between the amount of the premium and fees charged by the insurer or producer and the down payment on the premium.

18567. As used in this chapter, "finance charge" means any amount which the insured agrees to pay the company in excess of the premium and fees charged by the insurer or producer, and exclusive of the cost of credit life insurance and attorney fees.

Article 2. General

18580. A premium finance agency desiring the full authority which may be conferred by this division, shall, in respect to any lending operations other than insurance premium financing, be required to amend its articles of incorporation and meet the requirements of this division as if it were making an original application for authority to organize under this division.

18581. The articles of incorporation of any corporation organized under this division as a premium finance agency shall include reference to that fact.

18582. Capital stock of any premium finance agency shall not be less than seventy-five thousand dollars ($75,000) and need not exceed that sum regardless of the number of branch offices or business locations which may be authorized under the provisions of this division.

18583. Before a premium finance agency commences business or opens a branch office or place of business, there must be paid in cash, for the benefit of the agency, 100 percent of the amount of the minimum capital stock required under this chapter.

18584. An insurance premium finance agreement, as defined in Section 18564, may be prepared in the office of an insurance producer licensed by the Department of Insurance, and mailed or otherwise delivered to a premium finance agency for acceptance without the office of the producer thereby being constituted a place of business of the company. A producer at whose office a premium finance agreement is so prepared shall not be considered to be a broker of the company as that term is used in this division.

18585. In the event of any conflict in the provisions of this chapter with the provisions of any other chapter in this division, the provisions of this chapter shall control with regard to a premium finance agency or to insurance premium financing.

18586. The provisions of Sections 18023, 18024, 18120, 18137, 18205, 18268, 18269, 18271, 18272, 18273, 18274, and 18455 shall not apply to a premium finance agency.

18587. The provisions of Sections 18567, 18568, 18607, 18625, 18626, 18628, and 18630 of this division shall not apply to any bona fide loan with a principal amount of ten thousand dollars ($10,000) or more or to a premium finance agency in connection with such loan if the provisions of this section are not used for the purpose of evading this division.

18588. Unless the insured has notice of the assignment of a premium finance agreement, payment thereunder by him to the last known assignee of the agreement shall be binding upon all subsequent assignees.

Assignment of the premium finance agreement shall not cut off any defenses which the insured would have against the company or an assignee of the agreement arising from obligations imposed by this division.

The obligations and rights of a premium finance agency, under this chapter, shall also apply to the assignee of a premium finance agreement.

18589. At any time during the term of the premium finance agreement, but not later than one year after the last payment thereunder, the company shall upon written request of the insured, give or mail to him a written statement of the dates and amounts of payment, and the total amount, if any, unpaid thereunder. Such a statement shall be supplied once each year without charge; if any additional statement is requested, the company shall supply such statement at a charge not exceeding one dollar ($1) for each additional statement so supplied.

18590. Upon payment of a loan in full the company upon request shall return the premium finance agreement marked "Paid" to the insured.

18591. No filing of the premium finance agreement shall be necessary to perfect the validity of such agreement as a secured transaction as against creditors, subsequent purchasers, pledgees, encumbrances, successors or assigns of the insured.

18592. Any downpayment which is made and which is received by the company from the insured, or from the insurance producer on behalf of the insured, shall be held by the company in trust for and in transit to the insurer, and shall be paid to the insurer, together with the balance of the premium payable pursuant to the terms of the premium finance agreement within 30 days from the effective date of the policy, or within 30 days after the receipt of a proper premium finance agreement by the company, or within 15 days after the company has mailed to the insured notice of a revised finance agreement pursuant to Section 18606, whichever is later. In the event that the premium is paid to the insurance agent or broker of record, such agent or broker of record shall not be deemed the agent of the company by reason of such payment.

18593. The downpayments received by the company under the provisions of Section 18592 shall be subject to the provisions of this section.

(a) The downpayments received by the company under the provisions of Section 18592, may be held by the company in trust in a separate bank account or depository, or in lieu thereof, the company may maintain a time deposit with a bank, savings and loan association, or comparable institution, or obtain a certificate or certificates of deposit from a bank, in an amount at least equal to the average amount of such downpayments being held at any given time by the company as ascertained by the commissioner, and which are payable to the insurer pursuant to the terms of the premium finance agreement. Such deposits or certificates shall be held in trust for the benefit of the insureds, as their relative interests in such downpayments may exist at any given time, and in the event of the insolvency of a company, such funds on deposit under the provisions of this section or as represented by a certificate or certificates of

deposit shall be first applied to remitting the amount of the downpayment to the insureds on all premium finance agreements upon which the company has not then forwarded in full the downpayments collected from and then being held for insureds, and, if insufficient to pay all such amounts in full, then such funds shall be applied for such purposes pro rata.

(b) In lieu of the alternatives set forth in subdivision (a), the company may furnish the commissioner with a bond entered into with a corporate surety, qualified to do business in this state, approved by the commissioner in a penal sum which shall be at least equal to the average amount of such downpayments being held at any given time by the company as ascertained by the company semiannually subject to the review and acceptance of the commissioner, and which are payable to the insurer pursuant to the terms of the premium finance agreement, and the bond shall provide that in addition to said penal sum the surety is liable to the commissioner for any and all expenses (including court costs and attorneys' fees) incurred by the commissioner in pursuing any and all claims against the bond, and the surety shall within five days after a claim has been filed with said surety file a complete copy of said claim with the commissioner. Such bond shall be conditioned so as to protect the insureds in the event of the insolvency of the company with respect to all downpayments which the company has not then forwarded to the insurers and, if the penal sum is insufficient to pay all such amounts in full then the proceeds of the bond shall be distributed on a pro rata basis to the insureds. If the claims of the insureds or any of them under the bond are not paid in such manner, and the amounts of such claims are proven to the satisfaction of the commissioner to be due such claimants, or should the commissioner determine to his satisfaction that sums are due such insureds, he may make demand for payment on behalf of all such unpaid claimants or insureds. If payment is not made, the commissioner may take any legal action he may deem necessary to enforce payment under such bond. The aggregate liability of the surety under such bond shall, in no event, exceed the penal sum of such bond plus the expenses (including court costs and attorneys' fees) incurred by the commissioner in pursuing any and all claims against the bond. The surety on the bond shall have the right to terminate such bond in accordance with the provisions of Section 2851 of the Civil Code.

18594. Any corporation organized as an industrial loan company other than a premium finance agency shall conduct any insurance premium financing business under the authority of this chapter and it shall be subject to all of the provisions of this chapter in respect to such business, as if it were organized hereunder except that no cumulative capitalization requirement shall be imposed.

18595. A premium finance agency shall not incorporate the words "industrial loan company" in its corporate name, on its loan forms, or in its advertising.

Article 3. Provisions of Premium Finance Agreements

18605. A premium finance agreement shall be in writing and the printed portion thereof shall be in at least eight-point type. The agreement shall set forth:

1. The names and addresses of the insured and the company, and the date of the agreement.

2. A description of the insurance contracts for which the premiums are advanced including the total amount of the premiums and fees and a specific breakdown thereof by policies and a general description of coverages.

3. The amount of the downpayment.

4. The cost, if any, for credit life insurance.

5. The principal balance.

6. The finance charges.

7. The unpaid balance.

8. The due date of the first installment.

9. The number, amount and frequency of payment of the installments.

10. A statement that the insured may prepay the full amount due and receive a refund credit of the unearned finance charge, in the manner provided by Section 18629.

18606. A premium finance agreement shall not be executed by or on behalf of the insured when it contains any blank space to be filled in thereafter; however, if any insurance contract, premiums for which are advanced or to be advanced under the agreement, has not been issued at the time of execution and the premium finance agreement so provides, the name of the insurer, the policy number and the due date of the first installment may be left blank and inserted later. In connection with the financing of an additional premium or policies, upon the completion of the computations necessary to determine the amount of the revised unpaid balance and the number and amount of future installment payments, the company shall mail notice of the changes to the insured at his address shown in the agreement. The notice of the revised finance agreement shall set forth:

(a) The unpaid balance, as adjusted.

(b) The number and frequency of each installment under the revised finance agreement.

(c) The amount of each installment.

(d) A statement to the insured that he may disaffirm the revised finance agreement by mailing, to the company's office, notice of his intention to do so within 10 days of the company's mailing of the notice of the revised finance agreement.

(e) A statement to the insured that the company may, in the event he disaffirms, cancel his insurance contract or contracts as provided in Section 18608, except that the 10-day period required by that section shall be deemed to commence with the mailing of the notice of the revised finance agreement.

18607. Upon receipt of the loan form the company shall promptly mail to the insured at the address shown in the agreement, or deliver to the insured personally, either a notice to the effect that the application for a loan is rejected or a copy of the agreement, thereby signifying acceptance by the company, or if the agreement contained any blank space when it was executed by or on behalf of the insured and such blank space was subsequently filled in, a copy of the agreement as so filled in and the insured shall in such event have 10 days in which to disaffirm his obligation under the premium finance agreement by giving written notice thereof to the producer and the company. In the event the agreement is not disaffirmed by the insured, the agreement shall be as binding an obligation of the insured as if the agreement were complete on its face when it was executed.

18608. A premium finance agreement may contain a power of attorney or other authority enabling the company to cancel the insurance contract or contracts listed in the agreement in the event of default in the terms thereof. Upon the exercise of such right to cancel, the company shall mail to the insured, to his last known address or to the address shown on the premium finance agreement at least 10 days prior to cancellation, a notice of its intent to cancel the insurance contract or contracts. The liability of a company to any person or corporation upon the exercise of such right or authority of cancellation shall be limited to the amount of the principal balance, except in the event of willful failure by the company to mail the notice required by this section.

18609. All statutory, regulatory and contractual restrictions providing that the insured or the insurer shall not cancel the insurance contract unless the insured or the insurer first satisfies such restrictions by giving a prescribed notice of cancellation to a governmental agency, the insurer, the insured, the holder of a security interest in the subject of the insurance, or other prescribed party, shall not be affected by the provisions of this division. However, any cancellation notice period required by such statutory, regulatory or contractual restriction shall not be cumulative to the period required by Section 18606 or 18608. If cancellation of the insurance contract is initiated by the company under the terms of this division, the insurer shall (in accordance with the requirement for a prescribed notice), on behalf of itself or the insured, give such notice to the governmental agency, the holder of a security interest in the subject of the insurance or other prescribed party; and the insurer shall determine and calculate the effective date of cancellation (in accordance with the terms of that prescribed notice) from the date it receives the notice of request for cancellation from the company. In no instance shall the effective date of cancellation be prior to that established by the company.

18610. The insurer within a reasonable time after the effective date of cancellation shall return whatever gross unearned premiums or accrued dividends are payable under the insurance contract to the

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company, which financed the insurance contract, for the benefit of the insured. Whenever the return premium is in excess of the amount due to the company, such an excess shall be remitted promptly to the insured or to his order.

18611. At the time of mailing the notice required by Section 18606 or 18608, the employee of the company who is doing the mailing shall prepare and sign an affidavit setting forth the following:

(a) The name and address of the employee doing the mailing.

(b) That the employee is over 18 years of age.

(c) The date and place of deposit in the mail.

(d) The addressee's name and address as shown on the envelope mailed.

(e) That the envelope was sealed and deposited in the mail with the postage thereon fully paid.

An affidavit of mailing, prepared as prescribed in this section, shall raise a rebuttable presumption that the notice was mailed to the addressee stated in the affidavit.

Article 4. Limitation on Finance Charges

18625. A premium finance agency shall not, except as otherwise provided by law, impose, take, receive, reserve or charge a finance charge which in the aggregate is greater than that which is permitted by this article.

18626. A premium finance agency may, in a premium finance agreement, contract for, charge, receive, and collect a finance charge which shall not exceed in the aggregate:

(a) One and three-quarters percent (1¾%) per month on that part of the unpaid principal balance of any loan up to, including, but not in excess of, seven hundred dollars ($700).

(b) Five-sixths of 1 percent (⅚ of 1%) per month on any remainder of such unpaid principal balance in excess of seven hundred dollars ($700).

18627. If the finance charge computed under Section 18626 is less than twelve dollars ($12), a minimum finance charge of twelve dollars ($12) may be imposed, except that:

(a) When the principal balance is not in excess of one hundred dollars ($100) and is to be repaid in less than four (4) months the maximum charge shall be four dollars ($4).

(b) When the principal balance is not in excess of one hundred dollars ($100) and is to be repaid in four monthly installments, the maximum finance charge shall be six dollars ($6).

(c) When the principal balance is not in excess of one hundred dollars ($100) and is to be repaid in five or more monthly installments the maximum finance charge shall be eight dollars ($8).

18628. The finance charge may be computed from the effective date of the insurance coverage, provided that the company shall pay the premium due the insurer, either:

(a) Within 30 days from the effective date of the insurance

coverage; or

(b) Within 30 days after the receipt by the company of a proper premium finance agreement; or

(c) Within 15 days after the company has mailed to the insured, notice of a revised finance agreement pursuant to Section 18606 whichever is later.

If the conditions of subdivision (a), (b), or (c) are not met the finance charge shall be computed from the date the proceeds of the loan are forwarded to the insurer. In the event the company receives a proper premium finance agreement later than 60 days from the effective date of the policy financed, a proportioned adjustment of the finance charge shall be made after such 60-day period.

18629. Notwithstanding the provisions of any premium finance agreement to the contrary, any insured may pay the obligation in full at any time before maturity of the final installment. If he does so, he shall receive a refund credit of the unearned finance charge computed in accordance with Section 18245 or 18247, except where the amount of the refund credit is less than one dollar ($1) no refund need be made, and except that where the earned finance charge amounts to less than the minimum finance charge permitted by Section 18627, the company may retain as an earned finance charge a sum equal to the minimum permitted by Section 18627 or the maximum prescribed by Section 18627, whichever is applicable.

18630. In the event that the insurance policy or policies which are the subject of a premium finance agreement are canceled by the insured or by the insurer, for any cause, the insured shall be entitled to receive a refund credit of the unearned finance charge. This refund credit shall be calculated in the same manner as prescribed in Section 18629, and shall be paid to the insured within a reasonable time.

18631. A premium finance agreement may provide for the payment of a default charge of one dollar ($1) to a maximum of 5 percent of the delinquent installment but not to exceed five dollars ($5), in the event of a default for a period of not less than 10 days in the payment of any scheduled installment under the terms of a premium finance agreement. Such charge may not be collected more than once for the same default and may be collected at the time of such default or at any time thereafter. If such default charge is deducted from any payment received after default occurs, and such deduction results in the default of a subsequent installment, no charge may be made for the resulting default.

CHAPTER 9. RESTRICTED INDUSTRIAL LOAN COMPANIES

18650. A corporation validly formed under the laws of this state which is in good standing may become a restricted industrial loan company under this division if the corporation complies with all pertinent provisions of this division.

18651. The articles of incorporation of a corporation formed

under this division as a restricted industrial loan company shall include reference to that fact.

18652. Notwithstanding anything to the contrary contained in Article 3 of Chapter 2 of this division, such restricted industrial loan company before opening or commencing business, shall have and shall thereafter maintain a paid-in and unimpaired capital of not less than two hundred thousand dollars ($200,000).

18653. A restricted industrial loan company is restricted to making business loans not exceeding ten thousand dollars ($10,000) in principal amounts.

18654. A "business loan" for purposes of this chapter is an unsecured loan of money to a person, firm or corporation conducting a business enterprise for profit to be used solely in connection with the conduct of said business.

18655. A restricted industrial loan company shall not accept or hold any deposits nor issue any thrift obligations or certificates.

CHAPTER 10. MORTGAGE BANKERS

Article 1. Definitions

18680. "Mortgage banker" means any industrial loan company incorporated under this division which, by the terms of its authority to engage in the industrial loan business, is not permitted to issue or sell investment certificates and the business of which is limited to that set forth in this chapter.

18681. As used in this chapter, "mortgage banking" means the activities of a company engaging in the business of making mortgage banking loans.

18682. As used in this chapter, "company" means a mortgage banker.

18683. A mortgage banking loan is a loan made to a corporation or partnership secured directly or collaterally solely by a lien on real property, except furniture and fixtures which have a direct bearing on the economic value of the real property which secures such loan, in the principal amount of one hundred thousand dollars ($100,000) or more, and any extensions, modifications or forbearances thereof or additional advances thereunder. For purposes of Section 18703, the date of the execution of the first note or other agreement shall be deemed to be the date of execution of the loan and any extension, modification, or forbearance thereof or additional advances thereunder.

18684. As used in this chapter, "servicing" is the collection of payment of interest and principal and other sums due on a mortgage banking loan and the performance of bookkeeping and accounting functions incident thereto.

Article 2. General

18700. The articles of incorporation of any corporation formed under this division as a mortgage banker shall include reference to that fact.

18701. The capital stock of any mortgage banker shall be not less than one hundred thousand dollars ($100,000) and need not exceed that sum regardless of the number of branch offices or business locations which may be authorized under the provisions of this division.

18702. The charges by a mortgage banker on a loan made under this chapter shall not exceed 1½ percent per month on the unpaid principal balance.

18703. No mortgage banking loan shall be assigned or otherwise transferred within 90 days after the date of execution. Thereafter, a mortgage banking loan may be assigned to a third party, whether or not licensed under this division, so long as the servicing of the loan is always performed by a mortgage banker, which may or may not be the mortgage banker making the loan. The rights of a mortgage banker, under this chapter, shall also accrue to the assignee or transferee of a mortgage banking loan.

None of the foregoing shall prohibit a mortgage banker from agreeing, prior to making a loan to assign or otherwise transfer the loan subject to the foregoing limitations.

18704. In the event of any conflict in the provisions of this chapter with the provisions of any other chapter in this division, the provisions of this chapter shall control with regard to mortgage banking. The transfer or assignment of a mortgage banking loan shall not affect the regulatory powers of the commissioner over the mortgage banker with respect to the loan.

18705. The provisions of subdivisions (b) and (c) of Section 18116, subdivision (a) of Section 18117, and subdivision (a) of Section 18147, and of Sections 18006, 18008, 18009, 18010, 18022, 18023, 18024, 18040, 18041, 18120, 18130, 18131, 18132, 18134, 18136, 18137, 18139, 18165, 18205, 18206, 18207, 18208, 18210, 18211, 18212, 18214, 18216, 18217, 18219, 18220, 18222, 18230, 18231, 18233, 18234, 18245, 18246, 18266, 18268, 18269, 18270, 18271, 18272, 18273, 18274, 18346, 18357(b), 18436, 18437, 18439, 18441, 18442, and 18455 shall not apply to a mortgage banker or to any loan made by a mortgage banker.

SEC. 3. Any section of any act enacted by the Legislature during the 1976 portion of the 1975–76 Regular Session, which takes effect on or before January 1, 1977, and which amends, amends and renumbers, adds, or repeals a section amended, amended and renumbered, added, or repealed by this act, shall prevail over this act, whether such act is enacted prior or subsequent to this act.

SEC. 4. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a

variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in significant identifiable cost changes.

CHAPTER 965

An act to amend Sections 14014 and 14124.2 of, and to add Section 14107.1 to, the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 14014 of the Welfare and Institutions Code is amended to read:

14014. Any person receiving health care for which he was not eligible on the basis of false declarations as to his eligibility or any person making false declarations as to eligibility in behalf of any other person receiving health care for which such other person was not eligible shall be liable for repayment and shall be guilty of a misdemeanor or felony depending on the amount paid in his behalf for which he was not eligible, as specified in Section 487 of the Penal Code.

SEC. 2. Section 14107.1 is added to the Welfare and Institutions Code, to read:

14107.1. Any provider on whose behalf improper claims are submitted for authorization or payment under this chapter may be required to submit all such claims over the provider's own signature for whatever time period the department determines appropriate.

SEC. 3. Section 14124.2 of the Welfare and Institutions Code is amended to read:

14124.2. The department or the Department of Benefit Payments during normal working hours may make any examination of the books and records of any provider pertaining to services rendered to any beneficiary under this chapter, and may visit and inspect the premises or facilities of any provider it may deem necessary to carry out the provisions of this chapter and regulations adopted thereunder. A provider shall furnish such information or copies of such records and documentation upon request by either department. Unannounced visits to request such information shall be reserved for those exceptional situations where arrangement of an appointment beforehand is clearly not possible or is clearly inappropriate to the nature of the intended visit. Only those related books and records of each service rendered, the beneficiary to whom rendered, the date, and such additional information as the department may by regulation require shall be subject to the

requirement of furnishing copies. Such information may include records to support and document the recipient's eligibility for services, and to the extent necessary records to provide proof of the quantity and receipt of such services, and that the services were provided by proper personnel. Providers shall be reimbursed for reasonable photocopying related expenses as determined by the department. Failure to comply with such request shall be grounds for immediate suspension of the provider under subdivision (b) of Section 14123.

Any copies furnished pursuant to this subdivision shall be used only to investigate and pursue criminal or administrative sanctions for Medi-Cal fraud and abuse, and such copies shall be destroyed when that purpose has been satisfied.

CHAPTER 966

An act to amend Section 925a of the Penal Code, relating to grand juries.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 925a of the Penal Code is amended to read:

925a. The grand jury may at any time examine the books and records of any incorporated city or joint powers agency located in the county, which pertain to fiscal matters. In addition to any other investigatory powers granted by this chapter, the grand jury may investigate and report upon the fiscal matters of any such city or joint powers agency and make such recommendations as it may deem proper and fit.

The grand jury may investigate and report upon the needs of all joint powers agencies in the county, including the abolition or creation of agencies and the equipment for, or the method or system of performing the duties of, the several agencies. It shall cause a copy of any such report to be transmitted to the governing body of any affected agency.

As used in this section, "joint powers agency" means an agency described in Section 6506 of the Government Code whose jurisdiction encompasses all or part of a county.

SEC. 2. Section 925a of the Penal Code is amended to read:

925a. (a) The grand jury may at any time examine the books and records of any incorporated city or joint powers agency located in the county, which pertain to fiscal matters. In addition to any other investigatory powers granted by this chapter, the grand jury may investigate and report upon the fiscal matters of any such city or joint powers agency and make such recommendations as it may deem

proper and fit.

The grand jury may investigate and report upon the needs of all joint powers agencies in the county, including the abolition or creation of agencies and the equipment for, or the method or system of performing the duties of, the several agencies. It shall cause a copy of any such report to be transmitted to the governing body of any affected agency.

As used in this section, "joint powers agency" means an agency described in Section 6506 of the Government Code whose jurisdiction encompasses all or part of a county.

(b) With respect to any incorporated city located in the county, the grand jury shall possess those powers and duties established by this article with respect to the county.

SEC. 3. It is the intent of the Legislature, if this bill and Senate Bill No. 1860 are both chaptered and become effective January 1, 1977, both bills amend Section 925a of the Penal Code, and this bill is chaptered after Senate Bill No. 1860, that the amendments to Section 925a proposed by both bills be given effect and incorporated in Section 925a in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Senate Bill No. 1860 are both chaptered and become effective January 1, 1977, both amend Section 925a, and this bill is chaptered after Senate Bill No. 1860, in which case Section 1 of this act shall not become operative.

CHAPTER 967

An act to add Section 12303.7 to the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 12303.7 is added to the Welfare and Institutions Code, to read:

12303.7. Any aged, or disabled applicant or recipient who is eligible for assistance under this article, whose disabilities prevent the use of cooking facilities at home, shall be given the option to receive an allowance of twenty-five dollars ($25) per month for an individual and fifty dollars ($50) per month for a married couple in lieu of the appropriate in-home food preparation and consumption services. The allowance under this section shall be in addition to any amount that the applicant or recipient is entitled to under this chapter. Such allowance shall not have the effect of exceeding the total cost maximum of Sections 12303.5 and 12304. Nothing in this section shall be construed to limit the applicant's or recipient's right

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to receive the allowance under this section and all other homemaker and chore services.

The State Department of Health shall adjust the amount of the allowance under this section to be equivalent to the amount of the special need allowance under subdivision (e) of Section 12200.

CHAPTER 968

An act to amend Section 15863 of the Government Code, relating to relocation assistance, and making an appropriation therefor.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 15863 of the Government Code is amended to read:

15863. The proceeds of such sale shall be deposited in the General Fund. Rentals received by the department pursuant to Section 15862 shall be deposited in the General Fund and are appropriated to the Department of General Services to maintain, improve, and care for real property acquired pursuant to this part pending the use of such property to further the postwar construction program. Any unneeded balance in the appropriation shall be transferred by the Controller on order of the Director of General Services to the General Fund.

Notwithstanding any other provision of the law, all moneys appropriated pursuant to the provisions of this section shall be available for payments required to be made pursuant to the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1.

SEC. 2. Moneys appropriated pursuant to Section 15863 of the Government Code shall be available to repay the emergency fund loan previously made to the Department of General Services for relocation assistance claims.

CHAPTER 969

An act to amend Sections 1525, 1530.5, and 1550 of the Health and Safety Code, relating to community care facilities.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

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SECTION 1. Section 1525 of the Health and Safety Code is amended to read:

1525. Upon the filing of the application for a license or for a special permit and compliance with the provisions of this chapter and the rules, regulations, and standards of the department, the director shall issue to the applicant the license or special permit. If the director finds that the applicant is not in compliance with the laws or regulations of this chapter, he shall deny the applicant a license or a special permit.

However, the director may issue provisional licenses to operate community care facilities for facilities which the director determines are in substantial compliance with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter if no life safety risks are involved. Such a provisional license shall expire six months from the date of issuance, or at such earlier time as the director may determine, and may not be renewed.

SEC. 2. Section 1530.5 of the Health and Safety Code is amended to read:

1530.5. The state department, in establishing regulations, including provisions for periodic inspections, under this chapter for family homes providing 24-hour care for six or fewer foster children, shall consider such homes as private residences, and shall establish regulations for such family homes separate from regulations for all other community care facilities. Such family homes shall not be subject to ratings pursuant to Section 1534 or 1535. The department, in adopting and amending regulations for such family homes, shall consult with foster parent organizations in order to insure compliance with the requirement of this section.

SEC. 3. Section 1550 of the Health and Safety Code is amended to read:

1550. The state department may suspend or revoke any license or special permit issued under the provisions of this chapter upon any of the following grounds and in the manner provided in this chapter:

(a) Violation by the licensee or holder of a special permit of any of the provisions of this chapter or of the rules and regulations promulgated under this chapter.

(b) Aiding, abetting, or permitting the violation of any provision of this chapter or of the rules and regulations promulgated under this chapter.

(c) Conduct in the operation or maintenance, or both the operation and maintenance, of a community care facility which is inimical to the health, morals, welfare, or safety of either an individual in or receiving services from the facility or the people of the State of California.

The director may temporarily suspend any license or special permit prior to any hearing when, in his opinion, such action is necessary to protect residents or clients of the facility from physical or mental abuse, abandonment, or any other substantial threat to health or safety. The director shall notify the licensee or permittee

of the temporary suspension and the effective date thereof and at the same time shall serve such licensee or permittee with an accusation. Upon receipt of a notice of defense to the accusation by the licensee or permittee, the director shall set the matter for hearing within five days after the receipt of the notice of defense. The temporary suspension shall remain in effect until such time as the hearing is completed and the director has made a final determination on the merits except that the temporary suspension shall be deemed vacated if the director fails to make a final determination on the merits within 30 days after the original hearing has been completed.

CHAPTER 970

An act to authorize a levee subsidence program, and to amend Section 12881.4 of the Water Code, relating to water projects.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 12881.4 of the Water Code is amended to read:

12881.4. In the administration of this chapter, the department and the commission shall give preference to projects involving the development of new basic water supplies. If the water supply function of a dam and reservoir facility is operationally limited or eliminated for dam safety purposes, pursuant to Part 1 (commencing with Section 6000) of Division 3, the department and the commission may give consideration to projects which would rehabilitate the dam and reservoir for water supply purposes. The rehabilitation of facilities may include comparable replacement facilities.

SEC. 2. The Legislature finds and declares that:

(a) Peatlands in the Sacramento-San Joaquin Delta are subsiding up to three inches per year due to soil oxidation, compaction, and wind erosion.

(b) Because of continued subsidence, much of the delta lands have fallen below sea level, and larger and larger levees have had to be constructed in order to restrain tidal and flood waters from permanently inundating these valuable delta agricultural lands.

(c) Without major levee works or without preventing subsidence, local levee maintenance districts will have increased economic difficulties in maintaining a viable levee system.

(d) A partial alternative to costly state and federal major levee works would be a subsidence control program undertaken along the landside of levees, if such control is determined to be economically and engineeringly viable.

SEC. 3. The Department of Water Resources is hereby directed

to undertake an investigation of the viability of a subsidence control program in the Sacramento-San Joaquin Delta. The department shall report its findings to the Legislature.

CHAPTER 971

An act to amend Sections 54.1 and 54.3 of the Civil Code, relating to blind persons.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 54.1 of the Civil Code is amended to read:

54.1. (a) Blind persons, visually handicapped persons, and other physically disabled persons shall be entitled to full and equal access, as other members of the general public, to accommodations, advantages, facilities, and privileges of all common carriers, airplanes, motor vehicles, railroad trains, motor buses, streetcars, boats or any other public conveyances or modes of transportation, hotels, lodging places, places of public accommodation, amusement or resort, and other places to which the general public is invited, subject only to the conditions and limitations established by law, or state or federal regulation, and applicable alike to all persons.

(b) (1) Blind persons, visually handicapped persons, and other physically disabled persons shall be entitled to full and equal access, as other members of the general public, to all housing accommodations offered for rent, lease, or compensation in this state, subject to the conditions and limitations established by law, or state or federal regulation, and applicable alike to all persons.

(2) "Housing accommodations" means any real property, or portion thereof, which is used or occupied, or is intended, arranged, or designed to be used or occupied, as the home, residence, or sleeping place of one or more human beings, but shall not include any accommodations included within subdivision (a) or any single-family residence the occupants of which rent, lease, or furnish for compensation not more than one room therein.

(3) Nothing in this subdivision shall require any person renting, leasing or providing for compensation real property to modify his property in any way or provide a higher degree of care for a blind person, visually handicapped person, or other physically disabled person than for a person who is not physically disabled.

(4) Except as provided in paragraph (5) of this subdivision, nothing in this part shall require any person renting, leasing, or providing for compensation real property, if such person refuses to accept tenants who have dogs, to accept as a tenant a physically disabled person who has a dog.

(5) It shall be deemed a denial of equal access to housing accommodations within the meaning of this subdivision for any person, firm, or corporation to refuse to lease or rent housing accommodations to a blind person or visually handicapped person on the basis that such person is partially or wholly dependent upon the services of a guide dog, or to refuse to permit such a blind person or visually handicapped person to keep a guide dog on the premises.

Nothing contained in this subdivision shall be construed to prevent the owner of a housing accommodation from establishing such terms in a lease or rental agreement which reasonably regulates the presence of guide dogs on the premises of a housing accommodation, nor shall this subdivision be construed to relieve a tenant from any liability otherwise imposed by law for damages caused by a guide dog.

As used in this subdivision, "guide dog" means any guide dog or seeing-eye dog which was trained by a person licensed under the provisions of Chapter 9.5 (commencing with Section 7200) of Division 3 of the Business and Professions Code.

(6) It shall be deemed a denial of equal access to housing accommodations within the meaning of this subdivision for any person, firm, or corporation to refuse to lease or rent housing accommodations to a blind person, visually handicapped person, or other physically disabled person on the basis that such physically disabled person is partially or wholly dependent upon the income of his spouse, if the spouse is a party to the lease or rental agreement. Nothing in this subdivision shall, however, prohibit a lessor or landlord from considering the aggregate financial status of a physically disabled person and his spouse.

(c) Persons licensed to train guide dogs for the blind pursuant to Chapter 9.5 (commencing with Section 7200) of Division 3 of the Business and Professions Code, may take dogs, for the purpose of training them as guide dogs, in any of the places specified in paragraphs (a) and (b), above. Such persons shall carry and display, upon request, identification in such form as shall be prescribed by the State Board of Guide Dogs for the Blind.

SEC. 2. Section 54.3 of the Civil Code is amended to read:

54.3. Any person or persons, firm or corporation who denies or interferes with admittance to or enjoyment of the public facilities as specified in Sections 54 and 54.1 or otherwise interferes with the rights of a totally or partially blind person or other disabled person under Sections 54, 54.1 and 54.2 is liable for each such offense for the actual damages and, in addition thereto, up to five hundred dollars ($500) in punitive damages, suffered by any person denied any of the rights provided in Sections 54, 54.1, and 54.2.

CHAPTER 972

An act to amend Sections 54.1 and 54.3 of the Civil Code, relating to discrimination.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 54.1 of the Civil Code is amended to read:

54.1. (a) Blind persons, visually handicapped persons, deaf persons, and other physically disabled persons shall be entitled to full and equal access, as other members of the general public, to accommodations, advantages, facilities, and privileges of all common carriers, airplanes, motor vehicles, railroad trains, motorbuses, streetcars, boats or any other public conveyances or modes of transportation, hotels, lodging places, places of public accommodation, amusement or resort, and other places to which the general public is invited, subject only to the conditions and limitations established by law, or state or federal regulation, and applicable alike to all persons.

(b) (1) Blind persons, visually handicapped persons, deaf persons, and other physically disabled persons shall be entitled to full and equal access, as other members of the general public, to all housing accommodations offered for rent, lease, or compensation in this state, subject to the conditions and limitations established by law, or state or federal regulation, and applicable alike to all persons.

(2) "Housing accommodations" means any real property, or portion thereof, which is used or occupied, or is intended, arranged, or designed to be used or occupied, as the home, residence, or sleeping place of one or more human beings, but shall not include any accommodations included within subdivision (a) or any single-family residence the occupants of which rent, lease, or furnish for compensation not more than one room therein.

(3) Nothing in this subdivision shall require any person renting, leasing or providing for compensation real property to modify his property in any way or provide a higher degree of care for a blind person, visually handicapped person, deaf persons, or other physically disabled person than for a person who is not physically disabled.

(4) Except as provided in paragraph (5) of this subdivision, nothing in this part shall require any person renting, leasing, or providing for compensation real property, if such person refuses to accept tenants who have dogs, to accept as a tenant a physically disabled person who has a dog.

(5) It shall be deemed a denial of equal access to housing accommodations within the meaning of this subdivision for any person, firm, or corporation to refuse to lease or rent housing

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accommodations to a blind person or visually handicapped person on the basis that such person uses the services of a dog guide,, or to a deaf person on the basis that such person uses the services of a dog to signal the presence of intruders or unusual noises, or to refuse to permit such a blind person or visually handicapped person to keep a guide dog, or a deaf person to keep a signal dog, on the premises.

Except in the normal performance of duty as a mobility aid, nothing contained in this paragraph shall be construed to prevent the owner of a housing accommodation from establishing such terms in a lease or rental agreement which reasonably regulates the presence of guide dogs on the premises of a housing accommodation, nor shall this paragraph be construed to relieve a tenant from any liability otherwise imposed by law for real and personal property damages caused by a guide dog when proof of same exists.

(6) It shall be deemed a denial of equal access to housing accommodations within the meaning of this subdivision for any person, firm, or corporation to refuse to lease or rent housing accommodations to a blind person, visually handicapped person, deaf person, or other physically disabled person on the basis that such physically disabled person is partially or wholly dependent upon the income of his spouse, if the spouse is a party to the lease or rental agreement. Nothing in this subdivision shall, however, prohibit a lessor or landlord from considering the aggregate financial status of a physically disabled person and his spouse.

(c) Persons licensed to train guide dogs for the blind pursuant to Chapter 9.5 (commencing with Section 7200) of Division 3 of the Business and Professions Code, may take dogs, for the purpose of training them as guide dogs, in any of the places specified in paragraphs (a) and (b), above. Such persons shall carry and display, upon request, identification in such form as shall be prescribed by the State Board of Guide Dogs for the Blind.

SEC. 1.5. Section 54.1 of the Civil Code is amended to read:

54.1. (a) Blind persons, visually handicapped persons, deaf persons, and other physically disabled persons shall be entitled to full and equal access, as other members of the general public, to accommodations, advantages, facilities, and privileges of all common carriers, airplanes, motor vehicles, railroad trains, motorbuses, streetcars, boats or any other public conveyances or modes of transportation, hotels, lodging places, places of public accommodation, amusement or resort, and other places to which the general public is invited, subject only to the conditions and limitations established by law, or state or federal regulation, and applicable alike to all persons.

(b) (1) Blind persons, visually handicapped persons, deaf persons, and other physically disabled persons shall be entitled to full and equal access, as other members of the general public, to all housing accommodations offered for rent, lease, or compensation in this state, subject to the conditions and limitations established by law, or state or federal regulation, and applicable alike to all persons.

(2) "Housing accommodations" means any real property, or portion thereof, which is used or occupied, or is intended, arranged, or designed to be used or occupied, as the home, residence, or sleeping place of one or more human beings, but shall not include any accommodations included within subdivision (a) or any single-family residence the occupants of which rent, lease, or furnish for compensation not more than one room therein.

(3) Nothing in this subdivision shall require any person renting, leasing or providing for compensation real property to modify his property in any way or provide a higher degree of care for a blind person, visually handicapped person, deaf persons, or other physically disabled person than for a person who is not physically disabled.

(4) Except as provided in paragraph (5) of this subdivision, nothing in this part shall require any person renting, leasing, or providing for compensation real property, if such person refuses to accept tenants who have dogs, to accept as a tenant a physically disabled person who has a dog.

(5) It shall be deemed a denial of equal access to housing accommodations within the meaning of this subdivision for any person, firm, or corporation to refuse to lease or rent housing accommodations to a blind person or visually handicapped person on the basis that such person uses the services of a dog guide,, or to a deaf person on the basis that such person uses the services of a dog to signal the presence of intruders or unusual noises, or to refuse to permit such a blind person or visually handicapped person to keep a guide dog, or a deaf person to keep a signal dog, on the premises.

Except in the normal performance of duty as a mobility aid, nothing contained in this paragraph shall be construed to prevent the owner of a housing accommodation from establishing such terms in a lease or rental agreement which reasonably regulates the presence of guide dogs on the premises of a housing accommodation, nor shall this paragraph be construed to relieve a tenant from any liability otherwise imposed by law for real and personal property damages caused by a guide dog when proof of same exists.

As used in this subdivision, "guide dog" means any guide dog or seeing-eye dog which was trained by a person licensed under the provisions of Chapter 9.5 (commencing with Section 7200) of Division 3 of the Business and Professions Code.

(6) It shall be deemed a denial of equal access to housing accommodations within the meaning of this subdivision for any person, firm, or corporation to refuse to lease or rent housing accommodations to a blind person, visually handicapped person, deaf person, or other physically disabled person on the basis that such physically disabled person is partially or wholly dependent upon the income of his spouse, if the spouse is a party to the lease or rental agreement. Nothing in this subdivision shall, however, prohibit a lessor or landlord from considering the aggregate financial status of a physically disabled person and his spouse.

(c) Persons licensed to train guide dogs for the blind pursuant to Chapter 9.5 (commencing with Section 7200) of Division 3 of the Business and Professions Code, may take dogs, for the purpose of training them as guide dogs, in any of the places specified in paragraphs (a) and (b), above. Such persons shall carry and display, upon request, identification in such form as shall be prescribed by the State Board of Guide Dogs for the Blind.

SEC. 2. Section 54.3 of the Civil Code is amended to read:

54.3. Any person or persons, firm or corporation who denies or interferes with admittance to or enjoyment of the public facilities as specified in Sections 54 and 54.1 or otherwise interferes with the rights of a totally or partially blind person, deaf person, or other disabled person under Sections 54, 54.1 and 54.2 is liable for each and every such offense for the actual damages, and in addition thereto, up to five hundred dollars ($500) in punitive damages, suffered by any person denied any of the rights provided in Sections 54, 54.1, and 54.2.

SEC. 2.5. Section 54.3 of the Civil Code is amended to read:

54.3. Any person or persons, firm or corporation who denies or interferes with admittance to or enjoyment of the public facilities as specified in Sections 54 and 54.1 or otherwise interferes with the rights of a totally or partially blind person, deaf person, or other disabled person under Sections 54, 54.1 and 54.2 is liable for each such offense for the actual damages and, in addition thereto, up to five hundred dollars ($500) in punitive damages, suffered by any person denied any of the rights provided in Sections 54, 54.1, and 54.2.

SEC. 3. It is the intent of the Legislature, if this bill and Senate Bill No. 2062 are both chaptered and become effective January 1, 1977, both bills amend Section 54.1 of the Civil Code, and this bill is chaptered after Senate Bill No. 2062, that the amendments to Section 54.1 proposed by both bills be given effect and incorporated in Section 54.1 in the form set forth in Section 1.5 of this act. Therefore, Section 1.5 of this act shall become operative only if this bill and Senate Bill No. 2062 are both chaptered and become effective January 1, 1977, both amend Section 54.1, and this bill is chaptered after Senate Bill No. 2062, in which case Section 1 of this act shall not become operative.

SEC. 4. It is the intent of the Legislature, if this bill and Senate Bill No. 2062 are both chaptered and become effective January 1, 1977, both bills amend Section 54.3 of the Civil Code, and this bill is chaptered after Senate Bill No. 2062, that the amendments to Section 54.3 proposed by both bills be given effect and incorporated in Section 54.3 in the form set forth in Section 2.5 of this act. Therefore, Section 2.5 of this act shall become operative only if this bill and Senate Bill No. 2062 are both chaptered and become effective January 1, 1977, both amend Section 54.3, and this bill is chaptered after Senate Bill No. 2062, in which case Section 2 of this act shall not become operative.

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CHAPTER 973

An act to add Sections 18610, 18654.5, 18752.6, 18752.7, 18752.8, and 18752.9 to the Business and Professions Code, relating to boxing and karate, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 15, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 18610 is added to the Business and Professions Code, to read:

18610. (a) Except as otherwise provided by this section, "boxing," as used in this chapter, includes professional and amateur full-contact karate. The provisions of Sections 18685, 18736, 18737, 18738, 18738.5, 18739, 18740, and 18741 shall not apply to professional or amateur full-contact karate.

(b) As used in this chapter, "professional or amateur full-contact karate" means any form of full-contact martial arts, including, but not limited to, full-contact kungfu, full-contact tae kwon-do, or any other form of martial arts or self-defense conducted on a full-contact basis in a contest, match, or exhibition where weapons are not used.

(c) As used in this chapter, "full contact" means the use of full unrestrained physical force in a martial arts contest.

(d) As used in this chapter, "light contact" means the use of controlled martial arts techniques whereby contact to the body is permitted in a restrained manner and no contact to the face is permitted.

(e) As used in this chapter, "noncontact" means that no contact occurs between either contestant.

SEC. 1.5. Section 18654.5 is added to the Business and Professions Code, to read:

18654.5. At all amateur boxing or full-contact karate programs being promoted under Article 3 (commencing with Section 18650) of this chapter, or Section 18752.8, a physician shall be in attendance and all participants on the program shall be given the same prefight physical examination as all other amateur participants are given in this state. Any club promoting an amateur program under these sections without having a physician in attendance shall be guilty of a misdemeanor.

SEC. 2. Section 18752.6 is added to the Business and Professions Code, to read:

18752.6. (a) The commission shall by rule and regulation regulate professional and amateur full-contact karate matches and contests, which shall be fought on the basis of the best effort of the contestants.

(b) Professional and amateur full-contact karate exhibitions shall

be governed by provisions in Article 7.5 (commencing with Section 18755) of this chapter, relating to wrestling exhibitions, except that in such case, regulations therein shall apply to "professional and amateur full-contact karate exhibitions" rather than "wrestling exhibitions."

(c) The commission shall by rule and regulation prescribe the length or duration of professional and amateur full-contact karate matches and contests, the manner in which the contestants or participants shall engage in such matches and contests, and such further safeguards and conditions as shall insure fair, sportsmanlike, and scientific professional and amateur full-contact karate contests and matches.

The commission shall approve all protective gear. No professional or amateur full-contact karate match, contest, or exhibition shall be conducted unless each participant uses approved protective gear on the hands and feet of the participant. Matches shall not exceed nine two-minute rounds with a one-minute rest period between each round; however, the commission may permit an extension of two rounds of the maximum length for the purpose of championship events.

(d) No minor shall participate in any professional or amateur full-contact karate exhibition, match, or contest.

(e) Any professional or amateur full-contact karate contest conforming to the rules, regulations, and requirements of this chapter is deemed a professional or amateur full-contact karate contest and not a prizefight.

(f) The licensed promoter shall be the real party in interest and shall receive at least 25 percent of the net receipts of any contest to qualify as the real party in interest. Upon a finding by the commission that the licensed promoter is not the real party in interest for such an event the commission may revoke the promoters license.

(g) The commission shall not function as a sanctioning body nor shall it grant titles to fighters or to individual events. This function shall be retained by such full-contact karate amateur or professional associations operating on a local, statewide, regional, national or international level who shall, when operating in California, observe such rules and regulations as have been set forth by the commission. The commission may seek counsel from the advisory committee as to the validity of any association wishing to grant state titles in order to protect the public from advertising misrepresentations.

(h) While full-contact karate, wrestling, and boxing are all fighting sports subject to licensing in California, the Legislature recognizes that full-contact karate is an entirely separate sport.

It is the intent of the Legislature that persons or clubs who possess boxing promoters licenses and wrestling promoters licenses should, to the fullest extent possible, subject to their contractual obligations with respect to the conduct of boxing or wrestling matches, contests or other legitimate rentals, for sports or other events, make their premises available for lease or rental by persons or clubs holding

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professional or amateur full-contact karate promoters licenses for the conduct of professional or amateur full-contact karate programs.

SEC. 3. Section 18752.7 is added to the Business and Professions Code, to read:

18752.7. All noncontact and light-contact karate, martial arts instruction, martial arts schools, intraclub noncontact and light-contact martial arts matches, interclub noncontact and light-contact martial arts matches, AAU and all other amateur martial arts matches or contests shall, notwithstanding any other provision of law, be exempt from the provisions of Sections 18752.6 to 18752.9, inclusive.

SEC. 4. Section 18752.8 is added to the Business and Professions Code, to read:

18752.8. This chapter shall not apply to: (a) any full-contact karate contest or sparring match conducted under the supervision and control of the National Guard or Naval Militia where all of the contestants are members of the active National Guard or Naval Militia; (b) any amateur karate match or contest conducted by or participated in exclusively by, any school, college, or university or by, any association or organization composed exclusively of schools, colleges, or universities when each contestant in such contest or match is a bona fide student regularly enrolled for not less than one-half time in a school, college, or university.

SEC. 5. Section 18752.9 is added to the Business and Professions Code, to read:

18752.9. The commission may appoint an advisory committee to advise the commission upon the administration of Sections 18752.6 to 18752.9, inclusive.

The advisory committee shall be composed entirely of individuals, residing in California who have, prior to their appointment, been a promoter, fighter, trainer, manager, or official in publicly held, full-contact karate events either in California, nationally, or internationally. Proof of qualification to serve shall be required by the commission and may be viewed, upon request, by others serving or appointed to serve on the committee.

If the advisory committee seeks medical or legal advice, such counsel may be sought from doctors or lawyers familiar with the question or with the sport in general; but such doctors or lawyers, while they may be invited by the chairperson to attend a specific meeting, shall not be appointed to serve as advisory committee members.

The advisory committee may elect its own officers.

SEC. 6. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this section nor shall there be an appropriation made by this act because the Legislature recognizes that during any legislative session a variety of changes to laws relating to crimes and infractions may cause both increased and decreased costs to local governmental entities and school districts which, in the aggregate, do not result in

significant identifiable cost changes.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

A sport now known as full-contact karate has developed recently which can be violent, and could cause permanent injury or death to participants, particularly youthful participants. In order that the jurisdiction of the State Athletic Commission over professional and amateur full-contact karate matches may be clearly established and that the needed regulation may be implemented at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 974

An act relating to health care service plans, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. There is hereby appropriated from the General Fund to the Commissioner of Corporations the amount of one hundred eighty-nine thousand two hundred sixty-one dollars ($189,261) for expenditure in the 1976–77 fiscal year for the administration of the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Additional funds are necessary for the administration of the Knox-Keene Health Care Service Plan Act of 1975, which became effective July 1, 1976, because the initial workload regarding the implementation of the act was underestimated and recent developments require an expansion of the ability of the Commissioner of Corporations to process license applications and other matters relating to the implementation of the Knox-Keene Health Care Service Plan Act of 1975.

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CHAPTER 975

An act to amend Section 2 of Chapter 1217 of the Statutes of 1975, relating to health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 15, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 2 of Chapter 1217 of the Statutes of 1975 is amended to read:

Sec. 2. The sum of six million dollars ($6,000,000) is hereby appropriated from the General Fund to the Department of Health for the purposes of Article 2.4 (commencing with Section 283) of Chapter 2 of Division 1 of the Health and Safety Code, as added by this act, for expenditure as follows:

(a) One million dollars ($1,000,000), or any portion thereof, during the 1976–77, 1977–78, or 1978–79 fiscal years.

(b) Two million dollars ($2,000,000) during the 1976–77 fiscal year.

(c) Two million dollars ($2,000,000) during the 1977–78 fiscal year.

(d) One million dollars ($1,000,000) during the 1978–79 fiscal year.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to ensure that all funds appropriated by Chapter 1217 of the Statutes of 1975 are available when needed for expenditure for necessary health services for high-risk pregnant women, it is necessary that this act take immediate effect.

CHAPTER 976

An act to amend Sections 5778, 5778.5, and 6445.14 of, and to add Section 6445.22 to, the Education Code, relating to early childhood education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 5778 of the Education Code is amended to read:

5778. Certificated school district employees nominated pursuant to Section 5775, who are determined by the department to have passed the examination prescribed by Section 5777, shall forthwith be

granted certificates entitling them to accept employment as specialist teachers in reading and may provide reading instruction in kindergarten or any of grades 1 through 3, or grades 4 through 6 if a school district provides such instruction in grades 4 through 6 pursuant to Section 6445.22.

SEC. 2. Section 5778.5 of the Education Code is amended to read:

5778.5. Certificated school district employees nominated pursuant to Section 5778.3, shall forthwith be granted certificates entitling them to accept employment as specialist teachers in reading and may provide reading instruction in kindergarten or any of grades 1 through 3, or grades 4 through 6 if a school district provides such instruction in grades 4 through 6 pursuant to Section 6445.22.

SEC. 3. Section 6445.14 of the Education Code is amended to read:

6445.14. In computing allowances authorized pursuant to Section 6445.12 the Superintendent of Public Instruction shall reduce each school district's total of allowances by the amount apportioned pursuant to Article 5 (commencing with Section 5789) of Division 6.

SEC. 4. Section 6445.22 is added to the Education Code, to read:

6445.22. Any school district which receives allowances for programs authorized pursuant to both Section 6445.12 and Article 5 (commencing with Section 5789) of this division, may utilize allowances authorized pursuant to Article 5 (commencing with Section 5789) of this division in grades 4, 5 and 6, or in kindergarten and grades 1, 2, and 3, for the purposes of and in the manner set forth in such article.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that specialist teachers in reading may be utilized for the instruction of pupils in the fourth, fifth, and sixth grades to commence as early as possible in the 1976–77 fiscal year and thereby improve the educational offering of our public elementary schools, at the earliest possible time, it is essential that this act take effect immediately.

CHAPTER 977

An act to add and repeal Sections 576.8, 600.3, 600.5, 634.7, 635.5, 652.5, 654.5, 726.5, 729.5, 16512.5 to, Chapter 5.3 (commencing with Section 16525), and Chapter 5.5 (commencing with Section 16550) to Part 4 of Division 9 of, the Welfare and Institutions Code, relating to minors, and making an appropriation therefor.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

I am reducing the appropriation contained in Section 28 of Senate Bill No. 30 from $3,000,000 to $2,000,000 by reducing subparagraph (a) for professional staff in the Department of Health from $200,000 to $175,000, subparagraph (b) reimbursement of counties from $2,800,000 to $1,825,000, and by reducing the amount referred to in the last paragraph of subparagraph (b) from $3,000,000 to $2,000,000.

I am reducing the appropriation because child protection services and foster care programs are and should continue to be a county responsibility. The remaining funds will be sufficient for demonstrations in two counties, if legislation is enacted to provide financial participation by counties. I have been assured by Senator Gregorio that he will sponsor such legislation. Any decisions concerning expansion of this program with state financial support must wait review of the final results.

With this reduction, I approve Senate Bill No. 30.

EDMUND G. BROWN JR., Governor

The people of the State of California do enact as follows:

SECTION 1. The Legislature recognizes the serious problems that exist in the current foster care system based upon the various studies prepared by the State Auditor General, the State Department of Health, the State Social Welfare Board, and by other organizations and individuals concerned with foster care. The Legislature finds that such problems include the lack of structured and timely decisionmaking by the various agencies that deal with children in foster care, the lack of early intervention to assist by provision of services the natural parents to cope with their problems in caring for their children, the lack of proper legal counsel for parents and children in court and administrative hearings, the lack of objective standards for removal of children from their homes, the lack of stability and permanence and its effect on the lives of such children, and many other major problems. The Legislature further finds that in order to address these serious problems, the state should initiate a demonstration project in several counties which will enable the Legislature to try new approaches to reform the foster care system on a limited basis and for a limited time in order to provide more stable and permanent placements for children who may have been removed from their parents' custody and to reduce taxpayer expenditures for foster care. If these demonstration programs are proven effective, they may be implemented on a statewide basis; if the programs are unsuccessful, they may be abandoned and the state will not have incurred the burden of funding and administering them on a statewide basis.

SEC. 2. (a) Therefore, this act shall be implemented in not less than two counties, one over and one under 500,000 population, nor in more than four counties, on a demonstration basis during the period from January 1, 1977 through June 30, 1981. The State Department of Health shall choose the appropriate counties by April 1, 1977, from among those that apply for participation in the demonstration program.

(b) In any demonstration county, in the event of any conflict between any other statutes and this act, this act shall prevail.

SEC. 2.5. This act shall apply only to children declared dependents of the juvenile court of a demonstration county on or after July 1, 1977, and to those voluntarily placed by their parents pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of the Welfare and Institutions Code on or after such date. In all other counties, this act shall not be applicable.

SEC. 3. (a) An action may be brought in a demonstration county for the purpose of having any person under the age of 18 years declared free from the custody and control of either or both of his parents when such person comes within any of the following descriptions:

(1) Who has been left without provision for his identification by his parent or parents or by others or has been left by both of his parents or his sole parent in the care and custody of another for a period of six months or by one parent in the care and custody of the other parent for a period of one year without any provision for his support, or without communication from such parent or parents, with the intent on the part of such parent or parents to abandon such person. Such failure to provide identification, failure to provide, or failure to communicate shall be presumptive evidence of the intent to abandon. Such person shall be deemed and called a person abandoned by the parent or parents abandoning him. If in the opinion of the court the evidence indicates that such parent or parents have made only token efforts to support or communicate with the child, the court may declare the child abandoned by such parent or parents. In those cases in which the child has been left without provision for his identification and the whereabouts of the parents are unknown, a petition may be filed after the 120th day following the discovery of the child and citation by publication may be commenced. The petition may not be heard until after the 180th day following the discovery of the child.

The fact that a child is in a foster care home, licensed under subdivision (a) of Section 16000 of the Welfare and Institutions Code, shall not prevent a licensed adoption agency which is planning adoption placement for the child, from instituting, under this subdivision, an action to declare such child free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel and if there is no county counsel, the district attorney shall institute such action.

(2) Who has been cruelly treated or neglected by either or both of his parents, if such person has been a dependent child of the juvenile court, and such parent or parents deprived of his custody for the period of one year prior to the filing of a petition praying that he be declared free from the custody and control of such cruel or neglectful parent or parents.

An action may be brought under this subdivision only if the child was declared a dependent child of the juvenile court prior to July 1,

1977.

(3) Whose parent or parents suffer a disability because of the habitual use of alcohol, or any of the controlled substances specified in Schedules I to V, inclusive, of Division 10 (commencing with Section 11000) of the Health and Safety Code, except when such controlled substances are used as part of a medically prescribed plan, or are morally depraved, if such person has been a dependent child of the juvenile court, and the parent or parents deprived of his custody because of such disability, or moral depravity, for the period of one year continuously immediately prior to the filing of the petition praying that he be declared free from the custody and control of such parent or parents. As used in this subdivision, "disability" means any physical or mental incapacity which renders the parent or parents unable to adequately care for and control the child.

(4) Whose parent or parents are convicted of a felony, if the felony of which such parent or parents were convicted is of such nature as to prove the unfitness of such parent or parents to have the future custody and control of the child, or if any term of sentence of such parent or parents is of such length that the child will be deprived of a normal home for a period of years.

(5) Whose parent or parents have been declared by a court of competent jurisdiction wherever situated to be mentally deficient or mentally ill, if, in the state or country in which the parent or parents are hospitalized or resident, the State Director of Health, or his equivalent, if any, and the superintendent of the hospital of which, if any, such parent or parents are inmates or patients certify that such parent or parents so declared to be mentally deficient or mentally ill will not be capable of supporting or controlling the child in a proper manner.

(6) Whose parent or parents are, and will remain incapable of supporting or controlling the child in a proper manner because of mental deficiency or mental illness, if there is testimony to this effect from two physicians and surgeons each of which must have been certified either by the American Board of Psychiatry and Neurology or under Section 6750 of the Welfare and Institutions Code. If, however, the parent or parents reside in another state or in a foreign country, the testimony herein may be supplied by two physicians and surgeons who are residents of such state or foreign country, if such physicians and surgeons have been certified by a medical organization or society of that state or foreign country to practice psychiatric or neurological medicine and if the court determines that the certification requirements of such organization or society are comparable to those of the American Board of Psychiatry and Neurology.

The parent or parents shall be cited to be present at the hearing, and if he or they have no attorney, the court shall appoint an attorney or attorneys to represent the parent or parents and fix the compensation to be paid by the county for such services, if he

determines the parent or parents are not financially able to employ counsel.

(7) Who has been cared for in one or more foster homes under the supervision of the juvenile court, the county welfare department or other public or private licensed child-placing agency for two or more consecutive years, providing that the court finds beyond reasonable doubt that return of the child to his parent or parents would be detrimental to the child and that the parent or parents have failed during such period, and are likely to fail in the future, to

(i) Provide a home for the child;

(ii) Provide care and control for the child; and

(iii) Maintain an adequate parental relationship with the child.

Physical custody of the child by the parent or parents for insubstantial periods of time during the required two-year period will not serve to interrupt the running of such period.

An action may be brought under this subdivision only if the child was declared a dependent child of the juvenile court prior to July 1, 1977, or was voluntarily placed by his parents with a county welfare department prior to such date.

(8) Who has been found to be a dependent child of the juvenile court, has been removed from the physical custody of his parent or parents pursuant to Section 726.5 or voluntarily placed pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of the Welfare and Institutions Code, and where an action to terminate parental rights was initiated due to a court order pursuant to Section 729.5 of the Welfare and Institutions Code.

At the termination proceeding, the person bringing the action shall show that on a continuous basis reasonable services have been provided to the parents, or were offered and refused by them, which were designed to aid the parents to overcome the problems which originally led to the deprivation of physical custody, the effectiveness, if any, of such services, and that despite the use of such services, the problems which originally led to the deprivation of physical custody are still present. Social workers or probation officers who provided such services shall appear, if available, at the termination proceedings.

At the termination proceeding, the court may consider the wishes of the child. When the child is 14 years of age or older, the consent of the child shall be obtained in order that there be a termination of parental rights.

If the court sustains the petition and there is an order pursuant to this subdivision, the court shall specify the factual grounds established to support its findings and enter such in the permanent records of the court.

An action may be brought under this subdivision if the child was declared a dependent child of the juvenile court on or after July 1, 1977, or was voluntarily placed by his parents pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of the Welfare and Institutions Code on or after such date.

This subdivision shall not apply to a parent or parents who have been convicted of a felony and thereby are unable to receive reasonable services designed to aid them to overcome the problems which originally led to the deprivation of physical custody.

(b) A licensed adoption agency of a demonstration county may institute under this section, an action to declare a child, as described in this section, free from the custody and control of his parents. When the requesting agency is a licensed county adoption agency, the county counsel, or if there is no county counsel, the district attorney shall in a proper case institute such action.

SEC. 3.5. Section 576.8 is added to the Welfare and Institutions Code, to read:

576.8. The probation officer or social worker of a demonstration county shall attempt to keep the minor and his parents or guardians together by providing appropriate services to the family. If the minor is removed from the physical custody of his parents or guardians, the probation officer or social worker shall provide appropriate services to the parents or guardians to facilitate the return of the minor.

SEC. 4. Section 600.3 is added to the Welfare and Institutions Code, to read:

600.3. (a) The juvenile court of a demonstration county shall adjudge a person to be a dependent child of the court if the child has been accepted for out-of-home placement pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 and has remained out of his parents' or guardians' physical custody for six months, or 12 months if the placement has been extended for six additional months pursuant to Section 16557.

(b) It shall be the duty of the county welfare department or probation department of a demonstration county to notify the juvenile court when a child has been in voluntary placement for six months, or 12 months if the placement has been extended pursuant to Section 16557, and to request the court to adjudge the minor a dependent child of the court.

SEC. 5. Section 600.5 is added to the Welfare and Institutions Code, to read:

600.5. (a) Each year the State Department of Health shall prepare and issue a report on foster care in California. The report shall be based on a sample of foster children drawn from counties which collectively include at least 65 percent of all the foster children in this state. The report shall include an analysis, evaluation or estimate, as appropriate, of the following, on a statewide basis:

(1) The number of foster children;

(2) The amount of funds expended by federal, state and local government for maintenance payments to foster parents, group homes and institutions;

(3) The amount of funds expended by federal, state and local government on services to foster children and their natural parents or guardians;

(4) The types of services being offered to parents and their

children in order to keep the family together;

(5) The number of foster children who are of adoptable age, the number of such children adopted, and the number of foster children determined not to be adoptable and the reasons therefor;

(6) The number of foster children placed in permanent foster care or guardianship;

(7) The size of caseloads of probation officers and social workers, the effect such caseloads have on the services offered to parents or their children, and the effectiveness of such services;

(8) The movement of foster children within the program from placement to placement and the shifting responsibility for such children within the county probation department or welfare department;

(9) The foster care-related qualifications, education, and in-service training of social workers and probation officers who handle such cases;

(10) Any other matters relating to foster children which the department deems appropriate to be included in such report. The report shall be submitted to the Governor and Legislature no later than January of each year.

(b) All personal information and records obtained by the department pursuant to this section shall be confidential and may be disclosed only in those instances designated in Section 5328.

(c) Any person may bring an action against an individual who has willingly and knowingly released confidential information or records concerning him in violation of the provisions of this section, for the greater of the following amounts:

(1) Five hundred dollars ($500).

(2) Three times the amount of actual damages, if any, sustained by the plaintiff.

Any person may, in accordance with the provisions of Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, bring an action to enjoin the release of confidential information or records in violation of the provisions of this chapter, and may in the same action seek damages as provided in this section.

It is not a prerequisite to an action under this section that the plaintiff suffer or be threatened with actual damages.

SEC. 5.5. In a demonstration county, in a case in which the minor is alleged to be a person described in Section 601 or 602 of the Welfare and Institutions Code, the court shall appoint counsel for the minor if he appears at the hearing without counsel, whether he is unable to afford counsel or not, unless there is an intelligent waiver of the right of counsel by the minor; and, in the absence of such waiver, if the parent or guardian does not furnish counsel and the court determines that the parent or guardian has the ability to pay for counsel, the court shall appoint counsel at the expense of the parent or guardian. In any such cases in which it appears to the court that there is such a conflict of interest between a parent or guardian and child that one attorney could not properly represent both, the

court shall appoint counsel, in addition to counsel already employed by a parent or guardian or appointed by the court to represent the minor or parent or guardian. In a county where there is no public defender the court may fix the compensation to be paid by the county for service of such appointed counsel.

SEC. 5.6. Section 634.5 of the Welfare and Institutions Code shall not apply to any demonstration county.

SEC. 5.7. Section 634.7 is added to the Welfare and Institutions Code, to read:

634.7. The minor and his parents or guardian shall have a right to representation by legal counsel at all stages of any proceedings under this chapter in a demonstration county in any case in which the minor is alleged to be a person described in Section 600 or 600.3, to be provided as follows:

(a) The court shall appoint counsel for the minor if he appears at any hearing without counsel, whether he is able to afford counsel or not. If the parent or guardian does not furnish counsel for the minor and the court determines that the parent or guardian has the ability to pay for counsel, the court shall appoint counsel for the minor at the expense of the parent or guardian.

(b) The court shall appoint counsel, who may be the public defender, for the parents or guardian when it appears to the court that the parents or guardian desire counsel but are unable to afford and cannot for that reason employ counsel.

(c) In a county where there is no public defender, or where there is a conflict of interest between two or more persons entitled to the appointment of the public defender as counsel in a proceeding, the court shall fix the compensation to be paid by the county for service of counsel other than the public defender.

(d) At the beginning of the first hearing in any proceeding under this chapter, in any case in which the minor is alleged to be a person described in Section 600 or 600.3, if either the minor or his parents or guardian appear without counsel, the judge shall advise the unrepresented party of his rights under this section and shall implement such rights before proceeding further, provided, that no waiver by a minor of any rights under this section shall be valid. Any counsel entering an appearance on behalf of any party shall continue to represent that person at all subsequent proceedings before the juvenile court unless relieved by the court either (1) upon the substitution of other counsel, or (2) upon a showing of good cause to relieve counsel without the substitution of other counsel.

SEC. 6. In a demonstration county, in the case of a minor alleged to be a person described in Section 601 or 602 of the Welfare and Institutions Code, the court shall examine such minor, his parent, guardian, or other person having relevant knowledge, hear such relevant evidence as the minor, his parent or guardian or their counsel desires to present, and, unless it appears that such minor has violated an order of the juvenile court or has escaped from the commitment of the juvenile court or that it is a matter of immediate

and urgent necessity for the protection of such minor or the person or property of another that he be detained or that such minor is likely to flee the jurisdiction of the court, the court shall make its order releasing such minor from custody.

SEC. 7. Section 635.5 is added to the Welfare and Institutions Code, to read:

635.5. In a demonstration county, in the case of a minor alleged to be a person described in Section 600, the court shall examine such minor, his parent, guardian, or other persons having relevant knowledge, and hear such relevant evidence as the minor, his parent or guardian or their counsel desires to present. The probation officer or social worker in a county welfare department designated pursuant to Section 576.5 shall report on the availability of services which would facilitate the return of the minor to the custody of his parents or guardians. The court shall make its order releasing such minor from custody unless it finds that: (a) there is a substantial danger to the physical health of the minor or the minor is suffering severe emotional damage, and (b) there are no reasonable means by which the minor's physical or emotional health may be protected without removing the minor from his parents' or guardians' physical custody, in which case the court may order that such minor be placed in a children's shelter or other suitable place designated by the juvenile court for a period not to exceed 15 judicial days. The court shall specify the factual grounds established to support these findings and enter such in the permanent records of the court.

SEC. 8. In a demonstration county, in the case of a minor alleged to be a person described in Section 601 or 602 of the Welfare and Institutions Code, if it appears upon the hearing that such minor has violated an order of the juvenile court or has escaped from a commitment of the juvenile court or that it is a matter of immediate and urgent necessity for the protection of such minor or the person or property of another that he be detained or that such minor is likely to flee the jurisdiction of the court, the court may make its order that such minor be detained in the juvenile hall or other suitable place designated by the juvenile court for a period not to exceed 15 judicial days and shall enter said order together with its findings of fact in support thereof in the records of the court.

SEC. 9. Whenever the probation officer of a demonstration county has cause to believe that there was or is within the county, or residing therein, a person within the provisions of Section 601 or 602 of the Welfare and Institutions Code, the probation officer shall immediately make such investigation as he deems necessary to determine whether proceedings in the juvenile court should be commenced.

SEC. 10. Section 652.5 is added to the Welfare and Institutions Code, to read:

652.5. Whenever the probation officer or social worker in a county welfare department of a demonstration county designated pursuant to Section 576.5 has cause to believe that there is within the

county or residing therein, a person within the provisions of Section 600, the probation officer or social worker shall immediately make such investigation as he deems necessary to determine what services should be offered to the family and whether proceedings in the juvenile court should be commenced. If such services are deemed appropriate, the probation officer or social worker shall make a referral to state protective services for children pursuant to Chapter 5 (commencing with Section 16500) of Part 4 of Division 9.

SEC. 11. In any case in which a probation officer of a demonstration county, after investigation of an application for petition or other investigation he is authorized to make, concludes that a minor is a person coming within Section 601 or 602 of the Welfare and Institutions Code or will probably soon come within such sections, he may, in lieu of filing a petition or subsequent to dismissal of a petition already filed, and with consent of the minor's parent or guardian, undertake a program of supervision of the minor, for not to exceed six months, and attempt thereby to adjust the situation which brings the minor within the jurisdiction of the court or creates the probability that he will soon be within such jurisdiction. Nothing in this section shall be construed to prevent the probation officer from filing a petition at any time within said six-month period.

The program of supervision of the minor undertaken pursuant to this section may call for the minor to obtain care and treatment for the misuse of restricted dangerous drugs or addiction to narcotics from a county mental health service or other appropriate community agency.

SEC. 12. Section 654.5 is added to the Welfare and Institutions Code, to read:

654.5. In any case in which a probation officer or social worker in a county welfare department of a demonstration county designated pursuant to Section 576.5, after investigation of an application for petition or other investigation he is authorized to make, concludes that a minor is within the jurisdiction of the juvenile court pursuant to Section 600 or probably will soon be within such jurisdiction, he may, in lieu of filing a petition or subsequent to the dismissal of a petition already filed, and with the consent of the minor's parent or guardian, undertake a program of supervision of the minor and his family. If such a program is undertaken, the probation officer or social worker shall attempt to ameliorate the situation which brings the minor within the jurisdiction of Section 600 by providing all appropriate services. Any time after the family has unreasonably refused to cooperate with the services being provided, the probation officer or social worker may file a petition to the court. In any event, if after six months the minor is believed to be within the jurisdiction of Section 600, the probation officer or social worker shall file a petition. Nothing in this section shall be construed to prevent the probation officer or social worker from filing a petition at any time within such six-month period.

SEC. 13. A petition to commence proceedings in the juvenile court of a demonstration county to declare a minor a ward or a dependent child of the court shall be verified and must contain:

(a) The name of the court to which the same is addressed.

(b) The title of the proceeding.

(c) The code section or sections and subdivision or subdivisions under which the proceedings are instituted.

(d) The name, age, and address, if any, of the minor upon whose behalf the petition is brought.

(e) The name or names and residence address, if known to the petitioner, of all parents and guardians of such minor. If there is no parent or guardian residing within the state, or if his place of residence is not known to the petitioner, the petition must also contain the name and residence address, if known, of any adult relative residing within the county, or, if there be none, the adult relative residing nearest to the location of the court.

(f) In the case of a petition alleging that a minor is a person described in Section 601 or 602 of the Welfare and Institutions Code, a concise statement of facts, separately stated, to support the conclusion that the minor upon whose behalf the petition is being brought is a person within the definition of each of the sections and subdivisions under which the proceedings are being instituted.

(g) In the case of a petition alleging that a minor is a person described in Section 600 or 600.3 of the Welfare and Institutions Code, a concise statement of facts, separately stated, to support the conclusion that the minor upon whose behalf the petition is being brought is a person within the definition of Section 600 or 600.3 of the Welfare and Institutions Code.

(h) The fact that the minor upon whose behalf the petition is brought is detained in custody or is not detained in custody, and if he is detained in custody, the date and the precise time the minor was taken into custody.

SEC. 13.5. In a juvenile court hearing in a demonstration county, where the minor who is the subject of the hearing is represented by counsel, the district attorney shall, with the consent or at the request of the juvenile court judge, appear and participate in the hearing to assist in the ascertaining and presenting of the evidence.

SEC. 13.6. In a demonstration county, at the beginning of the hearing on a petition filed pursuant to Article 7 (commencing with Section 650) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, the judge or clerk shall first read the petition to those present and upon request of the minor upon whose behalf the petition has been brought or upon the request of any parent, relative or guardian, the judge shall explain any term or allegation contained therein and the nature of the hearing, its procedures, and possible consequences. The judge shall ascertain whether the minor and his parent or guardian or adult relative, as the case may be, has been informed of the right of the minor and parents or guardian to be represented by counsel, and if not, the judge shall advise the minor

and such person, if present, of the right to have counsel present and where applicable, of the right to appointed counsel. Before proceeding further, the court, in a case in which the minor is alleged to be within the provisions of Section 600 or 600.3 of the Welfare and Institutions Code, shall first comply with the provisions of Section 634.7 of the Welfare and Institutions Code. In a case in which the minor is alleged to be a person described in Section 601 or 602 of the Welfare and Institutions Code, the court shall appoint counsel to represent the minor if he appears at the hearing without counsel, whether he is unable to afford counsel or not, unless there is an intelligent waiver of the right of counsel by the minor; and, in the absence of such waiver, if the parent or guardian does not furnish counsel and the court determines that the parent or guardian has the ability to pay for counsel, the court shall appoint counsel at the expense of the parent or guardian. The court shall continue the hearing for not to exceed seven days, as necessary to make an appointment of counsel, or to enable counsel to acquaint himself with the case, or to determine whether the parent or guardian or adult relative is unable to afford counsel at his own expense, and shall continue the hearing as necessary to provide reasonable opportunity for the minor and the parent or guardian or adult relative to prepare for the hearing.

SEC. 14. After receiving and considering the evidence on the proper disposition of the case, the juvenile court of a demonstration county may enter judgment as follows:

(a) If the court has found that the minor is a person described by Section 601 or 602 of the Welfare and Institutions Code, it may, without adjudging such minor a ward of the court, place the minor on probation, under the supervision of the probation officer, for a period not to exceed six months.

(b) If the court has found that the minor is a person described by Section 601 or 602 of the Welfare and Institutions Code, it may order and adjudge the minor to be a ward of the court.

(c) If the court has found that the minor is a person described in Section 600 of the Welfare and Institutions Code, it may, without adjudging such minor a dependent child of the court, order that services be provided to keep the family together and place the minor and his parents or guardians under the supervision of the probation officer or social worker in a county welfare department designated pursuant to Section 576.5 for a period not to exceed six months.

(d) If the court has found that the minor is a person described by Section 600 of the Welfare and Institutions Code, it may order and adjudge the minor to be a dependent child of the court.

SEC. 15. In a demonstration county, in all cases wherein a minor is adjudged a ward of the court pursuant to subdivision (b) of Section 14 of this act, the court may limit the control to be exercised over such ward by any parent or guardian and shall by its order clearly and specifically set forth all such limitations, but no ward shall be taken from the physical custody of a parent or guardian unless upon the

hearing the court finds one of the following facts:

(a) That the parent or guardian is incapable of providing or has failed or neglected to provide proper maintenance, training, and education for the minor.

(b) That the minor has been tried on probation in such custody and has failed to reform.

(c) That the welfare of the minor requires that his custody be taken from his parent or guardian.

SEC. 16. Section 726.5 is added to the Welfare and Institutions Code, to read:

726.5. (a) In a demonstration county, in all cases wherein a minor is adjudged a dependent child of the court, on the ground that he is a person described by Section 600 or 600.3, the court may limit the control to be exercised over such dependent by any parent or guardian and shall by its order clearly and specifically set forth all such limitations, but such limitations shall not exceed those necessary to protect the child.

(b) No dependent child shall be taken from the physical custody of his parents or guardians unless upon the hearing the juvenile court of a demonstration county finds substantial evidence that:

(1) There is a substantial danger to the physical health of the minor and there are no reasonable means acceptable to the minor's parents or guardians by which the minor's physical health may be protected without removing the minor from his parents' or guardians' physical custody; or

(2) The parents or guardians of the minor are unwilling to have physical custody of the minor, there are no reasonable means acceptable to the parents or guardians which would enable the minor to be returned to their physical custody, and the parents or guardians have been notified that if the minor remains out of their physical custody for the period specified in Section 729.5, the minor may be declared permanently free from their custody and control under Section 2.5 of the act which enacted this section; or

(3) The minor is suffering severe emotional damage indicated by extreme anxiety, depression, or untoward aggressive behavior against others and there are no reasonable means acceptable to the minor's parents or guardians by which the minor's emotional health may be protected without removing the minor from his parents' or guardians' physical custody.

The court shall specify the factual grounds established to support these findings and enter such in the permanent records of the court.

(c) If the minor is taken from the physical custody of his parents or guardians and unless the minor is placed with relatives, the minor shall be placed in foster care in the county of residence of his parents or guardians in order to facilitate reunification of the family. If the probation officer or social worker in a county welfare department of a demonstration county designated pursuant to Section 576.5 cannot find a suitable placement within the county and seeks to place the minor outside the county, the probation officer or social worker shall

serve written notice on the parents or guardians in the same manner as provided in Section 729 at least seven days prior to such placement. Such notice shall state the reasons which require such placement outside the county. The parents or guardians may object to such placement not later than seven days after receipt of such notice and, upon such objection, the court shall hold a hearing not later than five days after such objection and prior to such placement. The court shall order out-of-county placement if it finds that the minor's particular needs require placement outside the county.

(d) The juvenile court of a demonstration county shall order that the probation officer or social worker in a county welfare department designated pursuant to Section 576.5 provide to the minor's parents or guardians services which can reasonably be expected to facilitiate the return of the minor to his family.

SEC. 17. When a minor is adjudged a dependent child of the juvenile court of a demonstration county, on the ground that he is a person described by Section 600 or 600.3 of the Welfare and Institutions Code, the court may make any and all reasonable orders for the care, supervision, custody, conduct, maintenance, and support of such minor, including medical treatment, subject to further order of the court.

The court may order the care, custody, control and conduct of such minor to be under the supervision of the probation officer or social worker in a county welfare department of a demonstration county designated pursuant to Section 576.5 of the Welfare and Institutions Code or, if the minor is removed from the custody of his parents or guardians pursuant to Section 726.5 of the Welfare and Institutions Code, the court may commit such minor to the care, custody and control of:

(a) Some reputable person of good moral character who consents to such commitment.

(b) Some association, society, or corporation embracing within its objects the purpose of caring for such minors, with the consent of such association, society, or corporation.

(c) The probation officer or social worker, to be boarded out or placed in some suitable family home or suitable private institution, subject to the requirements of Chapter 2 (commencing with Section 1250 of Division 2 of the Health and Safety Code; provided, however, that pending action by the State Department of Health, the placement of a minor in a home certified as meeting minimum standards for boarding homes by the probation officer or social worker shall be legal for all purposes.

(d) Any other public agency organized to provide care for needy or neglected children.

When a minor is adjudged a dependent child of the court, on the ground that he is a person described by Section 600 of the Welfare and Institutions Code and the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer or social worker, the parent or guardian may be

required, and may be ordered, to participate in a counseling program designated by the court. When a minor is adjudged a dependent child of the court on the ground that he is a person described by subdivision (d) of Section 600 of the Welfare and Institutions Code and the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer or social worker, the parent or guardian shall be required to participate in a counseling program designated by the court.

When a minor has been adjudged a ward of the court on the ground that he is a person described in Section 601 or 602 of the Welfare and Institutions Code and the court finds that notice has been given in accordance with Section 661 of the Welfare and Institutions Code, and when the court orders that a parent or guardian shall retain custody of such minor subject to the supervision of the probation officer, the parent or guardian may be required to participate with such minor in a counseling program to be provided by an appropriate agency designated by the court.

SEC. 18. In a demonstration county, every hearing in which an order is made adjudging a minor a dependent child of the juvenile court pursuant to Section 600 or 600.3 of the Welfare and Institutions Code and every subsequent hearing in which such an order is made, except a hearing at which the court orders the termination of its jurisdiction over such minor, shall be continued to a specific future date not more than six months after the date of such order. The continued hearing shall be placed on the appearance calendar. The probation officer or social worker in a county welfare department designated pursuant to Section 576.5 of the Welfare and Institutions Code shall provide appropriate services to the minor and his parents or guardians and, at least 16 days prior to the hearing, file a supplemental report of the services offered to the family, the progress made, and, where relevant, the prognosis for return of the child to the physical custody of his parents or guardians, and make his recommendation for disposition. The court shall advise all persons present of the date of the future hearing and of their right to be present, to be represented by counsel, where relevant, and, at least 14 days prior to the hearing, where relevant, of any facts which justify the continued removal of the minor pursuant to Section 726.5 of the Welfare and Institutions Code and shall include a copy of the supplemental report. At each review hearing no minor shall be retained away from the physical custody of his parents or guardians without a showing of the current existence of facts which justify the removal under the standards of Section 726.5 of the Welfare and Institutions Code. The court shall review the probation officer's or social worker's report, make appropriate findings, and, where relevant, shall order any additional services reasonably believed to facilitate the return of the minor to the custody of his parents or guardians. All such findings shall be entered in the permanent records of the court. Notice of hearing shall be mailed by the

probation officer or social worker to the same persons as in an original proceeding and to counsel of record by certified mail addressed to the last known address of the person to be notified, or shall be personally served on such persons, not earlier than 30 days preceding the date to which the hearing was continued.

The required six-months hearings shall only be applicable for a minor declared a dependent child of the juvenile court on or after January 1, 1977, or voluntarily placed by his parents pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 on or after such date. For all other minors, the hearings shall be continued to a specific future date not more than one year after the date of such order.

SEC. 19. Section 729.5 is added to the Welfare and Institutions Code, to read:

729.5. (a) In order to provide minors described in this section with a stable and permanent environment, the juvenile court of a demonstration county shall follow the procedure set forth in subdivision (d).

(b) The juvenile court of a demonstration county shall commence proceedings under subdivision (d) in the case of a minor who has been taken from the physical custody of his parents or guardians under paragraph (1) or (3) of subdivision (b) of Section 726.5 and has remained out of their physical custody for 12 consecutive months and:

(1) The minor was less than two years of age at the time of removal pursuant to paragraph (1) or (3) of subdivision (b) of Section 726.5; or

(2) The minor is 14 years of age or older at the time of this proceeding and expresses a mature desire not to be returned to the physical custody of his parents or guardians.

Physical custody of the minor by his parents or guardians for insubstantial periods during the 12-month period will not serve to interrupt the running of such period.

(c) The juvenile court of a demonstration county shall commence proceedings under subdivision (d) in the case of any other minor who has been taken from the physical custody of his parents or guardians under paragraph (1), (2), or (3) of subdivision (b) of Section 726.5 and has remained out of their physical custody for 18 consecutive months, including for these purposes the time, if any, that the minor has remained out of their physical custody pursuant to a voluntary placement under Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9.

Physical custody of the minor by the parents or guardians for insubstantial periods of time during the 18-month period will not serve to interrupt the running of such period.

(d) For any minor that the juvenile court of a demonstration county finds to be a person described in either subdivision (b) or (c), the court shall order the appropriate department to investigate how the minor might be provided with a stable and permanent

environment as required by subdivision (e). The department shall report its findings and make a recommendation to the court at a hearing that shall take place no more than 45 days from the date of the court's findings under subdivision (b) or (c), unless when the court makes its findings under subdivision (b) or (c), it finds that there is a substantial probability the minor will be returned to the physical custody of his parents or guardians within six months, in which case the hearing shall take place not more than six months from the date of the court's findings. The department and court shall give due consideration to the foster parents, if any, of the minor in considering adoption, guardianship or stable long-term foster care placement. The court shall notify the minor's parents or guardians and foster parents of its order under this subdivision, and the date of the hearing under subdivision (e). Such notice shall be sent by registered mail no less than 15 days before the date of such hearing and shall include a copy of the findings of the investigating department.

(e) At the hearing ordered under subdivision (d):

(1) If the court finds that the minor is adoptable, the court shall order the county counsel, or if there is no county counsel, the district attorney, to initiate an action to declare the minor permanently free from the custody and control of his parents or guardians pursuant to Section 2.5 of the act which enacted this section unless the court finds that:

(A) The parents or guardians have maintained a close family relationship with the minor through regular visitation and contact and the minor would benefit from a continued relationship with them; or

(B) A minor 14 years of age or older objects to termination of parental rights; or

(C) The minor's foster parents are unable to adopt the minor because of exceptional circumstances, but are willing and capable of providing the minor with a stable and permanent environment and the removal of the minor from the physical custody of the foster parents would be seriously detrimental to the emotional well-being of the minor because the minor has substantial psychological ties to them.

(2) If the court finds that the minor is not adoptable or the exceptions described in paragraph (1) of subdivision (e) apply, and the court finds that one or more adults are available and eligible to become legal guardians for the minor, the court shall order the department to facilitate the guardianship proceedings. The county counsel or, if there is no county counsel, the district attorney, may render assistance in such proceedings to the department. The court shall not make such an order if it finds that the minor's foster parents are unable to become guardians for the minor because of exceptional circumstances, but are willing and capable of providing the minor with a stable and permanent environment and the removal of the minor from the physical custody of his foster parents would be

seriously detrimental to the emotional well-being of the minor because the minor has substantial psychological ties to them.

The proceeding for the appointment for a guardian for a minor under this section shall be in the juvenile court, notwithstanding Section 1405 of the Probate Code. For such minors, the juvenile court shall have the power to appoint a guardian pursuant to the standards and procedures otherwise specified by the Probate Code.

(3) If the court finds that the minor is not adoptable under paragraph (1) of subdivision (e) and that guardianship proceedings should not be initiated under paragraph (2) of subdivision (e), it shall order the department to facilitate the placement of the minor in an environment that can reasonably be expected to be stable and permanent. When the minor is in a foster home, and the foster parents are willing to provide and capable of providing a stable and permanent environment, the minor shall not be removed from this home if removal of the minor from the physical custody of his foster parents would be seriously detrimental to the emotional well-being of the minor because the minor has substantial psychological ties to them.

(f) When an adoption or guardianship of the minor has been perfected, the court shall terminate its jurisdiction over such minor. If some other long-term placement for the minor has been made, the court shall continue the hearing to a specific future date not more than one year after the date of the order of continued jurisdiction over the minor as a dependent child pursuant to Section 600 or 600.3, notwithstanding the six-month review hearing required pursuant to Section 18 of the act which enacted this section.

SEC. 21. In a demonstration county, services for children not qualifying under Section 16510 of the Welfare and Institutions Code shall be financed, in part, from federal funds allocated to the state for child welfare services pursuant to Title 20 of the Social Security Act. The department may limit allocation of child welfare service funds in the following manner: (1) If Congress does not increase the appropriation for child welfare service funds the department may then limit the allocation specifically for protective services to the same proportion of the federal grant as obtained for the 1967–68 fiscal year. (2) If and during such times as the federal government increases the allocation of child welfare services to the state, all of the increased funds resulting from this action shall be devoted to providing protective services for children who do not qualify for service under Section 16510 of the Welfare and Institutions Code; provided, however, that the department shall be permitted to allocate sufficient funds to the development of other aspects of child welfare services in order that the state remain eligible to receive funds pursuant to Title 20 of the Social Security Act.

SEC. 22. Section 16512.5 is added to the Welfare and Institutions Code, to read:

16512.5. For reimbursement of the sum spent in each demonstration county for child protective services in accordance

with the county plan certified by the department pursuant to Section 16502, each county shall be allocated a sum to reimburse it for the costs of such services. No demonstration county shall expend more than 20 percent of its allocation for the salaries and expenses of child protective service workers.

Funds may be allocated to demonstration counties on a periodic basis determined by the department.

It is the intention of the Legislature that the funds allocated pursuant to this section may be utilized for families who qualify as actual or potential recipients of public assistance under aid to families with dependent children or families who are not linked to or qualified for such aid; provided, that the county shall seek reimbursement from parents who voluntarily request such services on a sliding scale based upon income which shall be determined on a statewide basis by the department.

SEC. 23. Chapter 5.3 (commencing with Section 16525) is added to Part 4 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 5.3. FAMILY REUNIFICATION SERVICES

16525. As used in this chapter:

"Family reunification services" means services whose purpose is to facilitate the return of minors who have been placed in foster care pursuant to Section 726.5 or voluntarily placed pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of this code to the care and physical custody of their parents or guardians and other services provided for in Section 16527. Family reunification services shall include, but not be limited to, family therapy, psychiatric counseling, employment counseling, homemaker services, housekeeper services, day care services, emergency housing, divorce counseling, home management education, consumer education, health-related services, respite care on a 24-hour basis, emergency 24-hour shelter care, crisis intervention care on a 24-hour basis, information and referral services, counseling and other state protective services for children pursuant to Section 16502.5.

In utilizing funds allocated to the demonstration county pursuant to Section 16536, the county shall provide for adequate services in the following categories prior to utilizing funds to provide for any other services set forth in this section: homemaker services, housekeeper services, day care services, respite care on a 24-hour basis, emergency housing, emergency 24-hour shelter care, and crisis intervention care on a 24-hour basis.

16526. The state, through the department and county departments designated by the board of supervisors of each county, shall establish and support a public demonstration system of family reunification services to be developed commencing January 1, 1977, and to be available in each demonstration county of the state. Every demonstration county, whether by itself or in conjunction with one

or more other demonstration counties, shall establish specialized units of reunification services for families within either the county probation department or county welfare department. In counties where such services presently are established, such services shall be supplemented, as necessary, pursuant to this chapter.

Each demonstration county shall utilize available private services in the county prior to developing new county-operated services when such available private services are at least as favorable in quality and cost as are those operated by the county.

16527. Family reunification services shall be used by the social worker or probation officer to facilitate the return of minors who have been placed in foster care pursuant to Section 726.5 or voluntarily placed pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 to the care and physical custody of their parents or guardians and to stabilize the family after such return of the minor, provided that such services may be utilized by child protective service workers pursuant to Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 to the extent permitted by each county board of supervisors.

The "family reunification services" authorized by this chapter shall not be construed to supplant or replace services authorized by any other provision of law or any services to minors or families provided by a county on the effective date of this chapter.

16528. The parents or guardians of any minor who receives services pursuant to Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 or is placed in foster care pursuant to Section 726.5 or Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9, who are dissatisfied because of any action or inaction relating to receipt or appropriateness of services provided pursuant to this chapter or Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 shall be entitled to a prompt and fair hearing. For the purpose of administering this section, the director shall have the powers and duties provided for in Chapter 7 (commencing with Section 10950) of Part 2 of Division 9.

16529. (a) The family reunification services authorized by this chapter shall be established in any demonstration county or combination of demonstration counties when a plan which includes financing of such services has been certified by the department. The services set forth in Section 16525 shall be provided by the public agency designated by each county board of supervisors or through private contractual arrangement. Such certified plan of family reunification services shall then be operated in accordance with standards and regulations established by the department, subject to all provisions of this code relating to the supervision of public social services by the department.

(b) The county plan shall not be certified unless the county demonstrates that the authorized family reunification services have not replaced or supplanted any existing services to minors or families provided by the county on the effective date of this chapter.

(c) The county shall demonstrate to the department that the state appropriation for family reunification services during the preceding year has been spent in accordance with the certified county plan for such year.

16530. The services offered to families under this program shall be voluntary.

16531. Nothing in this chapter shall be construed to give the department or county welfare departments any law enforcement powers nor to change or interfere with the responsibility of law enforcement, probation officers and departments to take direct action on behalf of minors as provided in Article 6 (commencing with Section 625) of Chapter 2 of Part 1 and Article 7 (commencing with Section 650) of Chapter 2 of Part 1 of Division 2. Nor shall this part in any way relieve persons administering and working in family reunification services programs from the obligation resting on all citizens to report crimes to duly authorized law enforcement agencies. Further it is the purpose of this part to supplement and not supplant existing services for children and families by the addition of state reunification services for families, and nothing herein shall be construed as changing in any way the responsibility of probation officers and departments for initiating juvenile court proceedings as set forth in Article 7 (commencing with Section 650), of Chapter 2 of Part 1 of Division 2, nor other duties and responsibilities assigned to them by law.

16532. Family reunification services shall be extended to every family in need of protection and preservation, regardless of family income.

16533. The department shall report annually to the Legislature on the operation and progress of the family reunification services program.

16534. Notwithstanding any other provision of this chapter, no child who in good faith is under treatment solely by spiritual means through prayer in accordance with the tenets and practices of a recognized church or religious denomination by a duly accredited practitioner thereof shall, for that reason alone, be considered to have been neglected within the purview of this chapter.

16535. Anyone participating in good faith in the making of a report pursuant to this chapter shall have immunity from any liability, civil or criminal, that might otherwise be incurred or imposed. Any such participant shall have the same immunity with respect to participation in any judicial proceeding resulting from such report.

16536. For reimbursement of the sum spent in each demonstration county for family reunification services in accordance with the county plan certified by the department pursuant to Section 16529, each demonstration county shall be allocated a sum to reimburse it for the costs of such services. No demonstration county shall expend more than 20 percent of its allocation for salaries and expenses of additional probation officers or social workers.

Any funds not expended for such salaries and expenses shall be utilized for family reunification services.

Funds may be allocated to demonstration counties on a periodic basis which shall be determined by the department.

It is the intention of the Legislature that funds allocated pursuant to this section may be utilized for families who qualify as actual or potential recipients of public assistance under aid to families with dependent children or families who are not linked to, or qualified for, such aid; provided, that the demonstration county shall seek reimbursement from parents on a sliding scale based upon income which shall be determined on a statewide basis by the department.

SEC. 24. Chapter 5.5 (commencing with Section 16550) is added to Part 4 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 5.5. VOLUNTARY PLACEMENT OF MINORS

16550. The purpose of this chapter is to assure that in demonstration counties appropriate state protective services for children pursuant to Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 are offered to parents or guardians so that minors may remain in their homes whenever possible. Where voluntary placement is necessary, appropriate state family reunification services pursuant to Chapter 5.3 (commencing with Section 16525) of Part 4 of Division 9 shall be offered to the minor, the minor's family and the minor's foster family to facilitate the prompt return of the minor to his family.

16551. A "voluntary placement of a minor" is an out-of-home placement of a minor by or with the participation of the county welfare department of a demonstration county after the parents or guardians have requested the assistance of the county welfare department and signed a "voluntary placement agreement."

16552. (a) A "voluntary placement agreement" is a binding written agreement between the county welfare department of a demonstration county and the parents or guardians of a minor which specifies the legal status of the minor and the rights and obligations of the parents or guardians.

(b) Voluntary placement shall not affect a parent or guardian's rights:

(1) To consent to medical care for the minor; or

(2) To reasonable visitation privileges; or

(3) To consultation with regard to the type of out-of-home placement, location of the placement, and any change in placement; or

(4) To consent before the minor is taken out of the state.

(c) The parents or guardians shall have the right to have the minor returned to their physical custody within 14 days after written notice has been given to the county welfare department of a demonstration county. Notwithstanding the foregoing, the parents or guardians shall have the right to have the minor returned to their

physical custody within 24 hours if at any time during the first three days after placement of the minor they notify the department that they wish to have the minor returned to their physical custody within such 24-hour period.

(d) In addition to other reasonable conditions for voluntary placement imposed by the county welfare department of a demonstration county to protect the interests of the minor, the parents or guardians shall agree pursuant to the voluntary placement agreement to do the following:

(1) Except as provided in subdivision (c), to give 14 days written notice for termination of the placement agreement,

(2) To contribute an amount specified pursuant to guidelines established by the State Department of Health for support of the minor, or, if eligible, apply for public assistance or other benefits which will contribute toward the minor's board and maintenance,

(3) To inform the county welfare department of a demonstration county of any change in their address or whereabouts,

(4) To meet with the social worker on a prearranged schedule to carry out agreed-upon casework planning for return of the minor to their physical custody,

(5) To meet with the social worker to discuss what services would be appropriate to help reunify the family.

(e) The voluntary placement agreement shall state that:

(1) Such placement shall not exceed six months, except as provided for in Section 16557; and

(2) The minor may remain out of their physical custody for a longer period only pursuant to Sections 600, 600.3, and 726.5 and if a petition is filed under such sections, the parents or guardians may be entitled to counsel appointed by the court if they are unable to afford counsel; and

(3) The minor may be declared permanently free from their custody and control pursuant to Section 232 of the Civil Code if the minor remains out of their physical custody for 18 consecutive months and if an action is brought under Section 2.5 of the act which enacted this section, the parents or guardians shall have the right to counsel appointed by the court if they are unable to afford counsel.

The State Department of Health, in consultation with county welfare departments, shall develop a form for voluntary placement agreements pursuant to the conditions set forth in this chapter to be used by all counties which accept such placements.

16553. Prior to entering into a voluntary placement agreement with the parents or guardians, the social worker shall make every attempt to keep the family together by offering appropriate state protective services for children pursuant to Chapter 5 (commencing with Section 16500) of Part 4 of Division 9. If it is determined that there are services acceptable to the parents or guardians which will enable the family to remain together, a referral to protective services for children shall be made.

16554. No minor shall be voluntarily placed by his parents or

guardians and accepted for out-of-home placement by the county welfare department of a demonstration county unless:

(a) There are no reasonable means acceptable to his parents or guardians which would enable the minor to remain in their physical custody; and

(b) His parents or guardians sign a voluntary placement agreement prior to placement of the minor.

16555. (a) If the minor is voluntarily placed outside his home, the department of a demonstration county shall provide the minor's parents or guardians family reunification services pursuant to Chapter 5.3 (commencing with Section 16525) of Part 4 of Division 9 which can reasonably be expected to facilitate the return of the minor to his family.

(b) Within three business days after a minor is placed under this chapter, the social worker and the parents or guardians shall meet and confer on a preliminary plan to reunify the family. Within 14 days, they shall meet to confer on a comprehensive plan. A written record of the plans shall be made and a copy of each provided to the parents or guardians. Any substantial amendment to the plans which adds or deletes services from the original plans shall also be in writing and copies of each shall be provided to the parents or guardians.

(c) A minor may be placed by his parents or guardians more than once; provided that such placements shall not exceed a total of six months, or 12 months in those counties which hold administrative reviews pursuant to Section 16557 during the four-year period prior to the most recent placement. Any placement of the minor which exceeds such six-month or 12-month periods shall take place only pursuant to a court order under Sections 600, 600.3, and 726.5. For the purposes of this section, only voluntary placements made pursuant to this chapter shall be counted toward the six-month or 12-month limitation.

Physical custody of the minor by the parents or guardians for insubstantial periods of time during the required six-month and 12-month periods will not serve to interrupt the running of such periods.

16556. If a minor has been voluntarily placed with the county welfare department of a demonstration county for out-of-home placement by his parents or guardians pursuant to this chapter and the minor has remained out of their physical custody for six consecutive months, the department shall:

(a) Return the minor to the physical custody of his parents or guardians; or

(b) Refer the minor to a licensed adoption agency for consideration of adoptive planning and receipt of a permanent relinquishment of care and custody rights from the parents or guardians pursuant to subdivision (m) of Section 224 of the Civil Code; or

(c) Apply for a petition pursuant to Section 656 and file such petition with the juvenile court to have the minor declared a

dependent child of the court under Section 600 or 600.3; or

(d) Extend the voluntary placement for an additional six-month period pursuant to Section 16557.

16557. Notwithstanding the six-month time limitation set forth in Section 16556, voluntary placement of the minor may be extended for a period not to exceed six months, provided, that:

(a) The county administrative review board of a demonstration county which meets the requirements of this section shall hold an administrative review within 30 days prior to the expiration of the initial six-month period; and

(b) The board finds that it is probable that the minor will be reunited with his parents or guardians prior to the end of the extension period; and

(c) The parents or guardians sign a voluntary placement agreement for the extension period.

(d) The board makes written findings concerning what services have been offered to the parents or guardians, the effectiveness of such services, the need for further assistance, whether the parents or guardians have been afforded an opportunity and encouraged to have a program of regular visitation with the minor, and the number and duration of such visits.

The county administrative review board shall be comprised of at least three persons, not more than two of whom may be employees of the welfare department.

The minor's parents or guardians shall be given reasonable notice of the time of the review and shall have the right to be present.

The board may order that the department apply for a petition pursuant to Section 656 and file such petition with the juvenile court to have the minor declared a dependent of the juvenile court under Section 600 or 600.3.

The State Department of Health shall establish uniform procedures to be followed by each county for such administrative reviews.

16558. A county welfare department of a demonstration county may, in its discretion, accept for voluntary placement a minor 14 years of age or older at the time of the initial placement without regard to the time limitation imposed by subdivision (c) of Section 16555, if such minor gives his consent to voluntary placement. The department shall not be required to file a petition pursuant to Section 600.3 relating to such minors or hold administrative reviews pursuant to Section 16557.

16559. Any services offered to families under this program shall be voluntary.

16560. This chapter shall not apply to any developmentally disabled minor as defined in Section 38003 of the Health and Safety Code who has been voluntarily placed by his parents or guardians for the purpose of treating such disability pursuant to Division 25 of the Health and Safety Code.

SEC. 25. This act shall be known and may be cited as the Family

Protection Act of 1976.

SEC. 28. The sum of three million dollars ($3,000,000) is hereby appropriated from the General Fund to the State Department of Health for use during the 18-month period from January 1, 1977, through June 30, 1978, to be allocated as follows:

(a) Two hundred thousand dollars ($200,000) for professional staff in the State Department of Health in order to effectively implement this act.

(b) Two million eight hundred thousand dollars ($2,800,000) to be used to reimburse the demonstration counties for all costs incurred in the implementation of this act including, but not limited to, the costs for family reunification services, child protective services, additional court hearings, and social worker and probation officer staff; provided, that not more than 20 percent of any county's allocation for family reunification services and child protective services may be used for the salaries of additional social workers or probation officers.

It is the intent of the Legislature that this four-year demonstration program be funded for approximately three million dollars ($3,000,000) each fiscal year commencing fiscal year 1977–78.

SEC. 29. The State Department of Health shall collect the information concerning foster care described in Section 600.5 of the Welfare and Institutions Code in the demonstration counties and in other similar nondemonstration counties in order to compare such counties and determine the effectiveness of the program compared to the programs in other counties. The State Department of Health shall also determine the savings accrued by the federal, state, and local government due to the implementation of this act.

The department shall make an annual report to the Legislature commencing January 6, 1978, and each year thereafter through January, 1981, concerning implementation of this act.

SEC. 30. This act shall remain in effect only until June 30, 1981, and as of such date is repealed, unless a later enacted statute, which is chaptered before June 30, 1981, deletes or extends such date.

SEC. 31. If this act is found unconstitutional, this act shall be considered null and void and its implementation shall be discontinued in all demonstration counties and this act shall be inoperative.

SEC. 32. The provisions of Sections 1, 2, 5, 21, 22, 23, 28, 29, 30, and 31 shall be operative January 1, 1977.

SEC. 33. Except as provided in Section 32, the provisions of this act shall be operative July 1, 1977.

CHAPTER 978

An act to amend Sections 5768.2, 5768.6. 5769, and 5769.4 of, and to add Chapter 5.76 (commencing with Section 5767) to Division 6 of, the Education Code, relating to bilingual education, and making an appropriation therefor.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 5.76 (commencing with Section 5767) is added to Division 6 of the Education Code, to read:

CHAPTER 5.76. BILINGUAL-BICULTURAL EDUCATION ACT OF 1976

5767. This chapter shall be known and may be referred to as the Chacon-Moscone Bilingual-Bicultural Education Act of 1976.

5767.05. The Legislature finds that there are more than 225,000 school-age children whose primary language is other than English and who do not have the English language skills necessary to benefit from instruction only in English at a level substantially equivalent to pupils whose primary language is English. Their lack of English language communication skills presents an obstacle to such pupils' right to an equal educational opportunity which can be removed by instruction and training in the pupils' primary languages while such pupils are learning English. The Legislature recognizes that the school dropout rate is excessive among limited-English-speaking pupils. This represents a tremendous loss in human resources and in potential personal income and tax revenues. Furthermore, high rates of joblessness among these dropouts contribute to the unemployment burden of the state.

The Legislature recognizes that a critical need exists for teaching and administrative personnel qualified in the bilingual and crosscultural skills necessary to the instruction of the limited-English-speaking population in the state's school districts. Therefore, the Legislature directs school districts to provide for in-service programs to qualify existing and future personnel in the bilingual and crosscultural skills necessary to serve the limited-English-speaking pupils of this state. Furthermore, the Legislature intends that the public institutions of higher education establish programs to qualify teachers and administrators in the bilingual and crosscultural skills necessary to serve these pupils.

It is the purpose of this chapter to require California school districts to offer bilingual learning opportunities to each limited-English-speaking pupil enrolled in the public schools, and to provide adequate supplemental financial support to achieve such

purpose. Insofar as the individual pupil is concerned, participation in bilingual programs is voluntary on the part of the parent or guardian.

5767.1. The State Board of Education shall adopt such rules and regulations as are necessary for the effective administration of this chapter. Initial regulations shall be adopted within 90 days after the effective date of this chapter.

5767.2. Unless the context otherwise requires, the definitions set forth in this section shall govern the construction of this chapter.

(a) "Partial bilingual instruction" means listening, speaking, reading and writing skills developed in both languages. Material related to culture and history is taught in the language the pupil understands better.

(b) "Full bilingual instruction" means basic language skills developed and maintained in both languages. Instruction in required subject matter or classes is provided in both languages in addition to culture and history.

(c) "Bilingual-bicultural education" is a system of instruction which uses two languages, one of which is English, as a means of instruction. It is a means of instruction which builds upon and expands the existing language skills of each participating pupil, which will enable the pupil to achieve competency in both languages.

This instruction shall include:

(1) Daily instruction in English, language arts, listening, speaking, reading and writing;

(2) Language development in the pupil's primary language;

(3) Reading in the pupil's primary language;

(4) Selected subjects taught in the pupil's primary language; and

(5) Development of an understanding of customs and values of the cultures associated with the languages being taught as well as an understanding of the history and culture of California and the United States.

(d) "Limited-English-speaking pupils" are pupils who do not have the clearly developed English language skills of comprehension, speaking, reading and writing, necessary to receive instruction only in English at a level substantially equivalent to pupils whose primary language is English. The determination of which pupils are limited English speaking shall be made in accordance with the procedures specified in Section 5767.3. The term "limited-English-speaking pupils" includes "non-English-speaking pupils" as described in subdivision (e).

(e) "Non-English-speaking pupils" are pupils who communicate in their primary language only or who communicate in English at a level which does not enable them to participate meaningfully in an educational setting where only English is used.

(f) "Individual learning program" is any program of instruction for a limited-English-speaking pupil in which instruction is offered in a manner consistent with the United States Supreme Court decision in Lau v. Nichols, (414 U.S. 563), the Equal Educational

Opportunities Act of 1974 (20 U.S.C. Sec. 1701 et seq.), and federal regulations promulgated pursuant to such court decisions and federal statutes.

(g) "Primary language" is a language other than English which is the language the pupil first learned or the language which is spoken in the pupil's home.

(h) "Bilingual-crosscultural teacher" means a person who (1) holds a valid, regular California teaching credential and (2) holds either a bilingual-crosscultural certificate of proficiency or other credential in bilingual education authorized by the Commission for Teacher Preparation and Licensing or a bilingual-crosscultural specialist credential. Such a person shall be fluent in the primary language and familiar with the cultural heritage of the limited-English-speaking pupils in the bilingual classes he or she conducts. Such a person shall have a professional working knowledge of the methodologies which must be employed to effectively educate those pupils.

(i) "Bilingual-crosscultural teacher aide" means an aide fluent in both English and the primary language of the limited-English-speaking pupil or pupils in a bilingual-bicultural program. Such an aide shall be familiar with the cultural heritage of the limited-English-speaking pupils in the bilingual classes to which he or she is assigned.

(j) "Board" means the State Board of Education.

(k) "Superintendent" means the Superintendent of Public Instruction.

(*l*) "Self-contained classes" are classes where substantially the same group of pupils receive instruction together throughout the schoolday.

5767.3. (a) Each school district shall ascertain, in the month of October of each year, under regulations prescribed by the State Board of Education, the number of limited-English-speaking pupils within the district, and shall classify them according to their primary language, age, and grade level. The census shall be taken by individual, actual count and not by estimates or samplings. The results of this census shall be reported to the Department of Education by the first day of December of each year.

(b) The superintendent shall prescribe uniform census-taking methods, applicable to all school districts in the state. Such census-taking methods shall require an assessment, on a language dominance survey instrument designated by the superintendent, of all pupils whose primary language is other than English. The assessments shall be conducted by persons who can speak and understand the primary language of the limited-English-speaking pupils on the basis of procedures formulated by the superintendent to determine which pupils are limited-English-speaking pupils, as defined in subdivision (d) of Section 5767.2. The superintendent may waive the requirement that the assessment be conducted by persons who can speak and understand the pupil's primary language where

the primary language is spoken by a small number of pupils and the district certifies that it is unable to comply. Pertinent information from the assessment forms for each pupil whose primary language is other than English shall be retained by the school district as long as the pupil is enrolled in the district. Each school district shall report annually to the Department of Education the total number of pupils whose primary language is other than English, the number of pupils who are non-English-speaking, and the number of such pupils who are limited English speaking. Each school district shall further report the total number of pupils whose primary language is other than English who have benefited from instruction pursuant to this chapter to the extent that they are no longer limited-English-speaking pupils, as defined in subdivision (d) of Section 5767.2.

(c) The Department of Education shall review the results of the census each year. Where the information provided by a school district appears to be inaccurate, the department shall audit the district's census through an onsite visit. Where the census has been incorrectly taken, or the results appear to be inaccurate, the department shall require another census to be taken and the corrected information to be provided.

5767.4. Each limited-English-speaking pupil enrolled in the California public school system in kindergarten through grade 12 shall receive instruction in a language understandable to the pupil which recognizes the pupil's primary language and teaches the pupil English.

(a) In kindergarten through grade six:

(1) Whenever the language census indicates that any school of a school district has 10 or more non-English-speaking pupils or 15 or more limited-English-speaking pupils with the same primary language in the same grade level or 10 or more non-English-speaking pupils or 15 or more limited-English-speaking pupils with the same primary language, in the same age group, in a multigrade or ungraded instructional environment, the school district shall offer instruction pursuant to subdivision (b) or (c) of Section 5767.2 for such pupils at the school.

(2) Whenever the language census indicates that any school of a school district has 10 or more limited-English-speaking pupils with the same primary language in the same grade level or 10 or more limited-English-speaking pupils with the same primary language, in the same age group, in a multigrade or ungraded instructional environment, the school district shall offer instruction pursuant to subdivision (a), (b), or (c) of Section 5767.2 for such pupils at the school.

(b) In kindergarten and grades 1 through 12 limited-English-speaking pupils who are not enrolled in a program described in subdivision (a), (b), or (c) of Section 5767.2, shall be individually evaluated and shall receive educational services defined in subdivision (f) of Section 5767.2. Such services shall be provided

in consultation with the pupil and the parent, parents, or guardian of the pupil.

5767.41. All teachers and aides providing instruction in programs established pursuant to subdivision (a), (b), or (c) of Section 5767.2, shall meet the criteria of subdivision (h) or (i) of Section 5767.2. In the event a school operates an individualized program described in subdivision (f) of Section 5767.2, such a district which receives categorical aid funds to meet the needs of limited-English-speaking pupils shall certify to the board that sufficient teachers and aides meeting the criteria of subdivisions (h) and (i) of Section 5767.2 are available to the school to ensure that all limited-English-speaking pupils have instructional opportunities in both English and their primary language to meet the intent of this chapter. Other instructional personnel who are not bilingual-crosscultural as defined in subdivisions (h) and (i) of Section 5767.2 may provide instructional and educational services to pupils enrolled in programs established pursuant to subdivision (a), (b), or (c) of Section 5767.2; provided, that the principal teachers and aides providing instruction in such programs meet the criteria established in subdivisions (h) and (i) of Section 5767.2.

5767.5. In classes established pursuant to Section 5767.4, not more than two-thirds of the pupils enrolled shall be limited-English-speaking pupils; provided, that where the proportion of limited-English-speaking pupils in the school exceeds two-thirds, the proportion of limited-English-speaking pupils in such classes may exceed the proportion of limited-English-speaking pupils in the school by no more than 10 percent. In no event shall the primary purpose of the program be to teach a foreign language to English-speaking pupils.

5767.6. (a) The maximum reimbursement allowable for the 1977–78 and subsequent school years to school districts providing instruction pursuant to Section 5767.4 shall not exceed the maximum allowances established by the superintendent and the district pursuant to Section 3932 of Title 5 of the California Administrative Code, for each limited-English-speaking pupil who receives instruction in a program pursuant to Section 5767.4. This amount per pupil shall include all state and federal categorical aid funds allocated to schools providing programs under Section 5767.4 which are wholly or partially allocated on the basis of the educational needs of limited-English-speaking pupils and which are allocated by the district to schools or programs to meet the needs of such pupils. The superintendent shall ensure that funds appropriated pursuant to this chapter supplement and do not supplant categorical funds allocated from other local, state, or federal sources in meeting the needs of limited-English-speaking pupils.

(b) School districts may claim reimbursement out of funds appropriated pursuant to this chapter for expenditures in the following categories only:

(1) The employment of bilingual-crosscultural teachers and aides;

however, reimbursement is available for employment expenditures only to the extent such personnel are employed in providing bilingual services to eligible pupils. School districts applying for these funds shall submit an assurance that personnel hired for this program only supplement and do not supplant district personnel.

(2) The purchase and development of special bilingual-bicultural teaching materials;

(3) The costs of special in-service training to develop bilingual-crosscultural instructional skills with preference given to teachers and teacher aides employed as part of the bilingual-bicultural program; and

(4) Reasonable expenses (which may include transportation-child care, meals, and training) of parent advisory groups on bilingual-bicultural education, at the school and school district level, in the course of their duties as members of the parent advisory groups. The State Board of Education shall adopt rules and regulations defining reasonable expenses.

(5) Health and auxiliary services to the extent that they meet the direct needs of eligible pupils.

(6) Reasonable district administrative expenses allowed pursuant to regulations of the board.

(c) Nothing contained in this section shall be interpreted to authorize school districts to reduce per pupil expenditures from local, state, or federal sources for the education of limited-English-speaking pupils.

5767.7. Programs of bilingual instruction instituted and continuing pursuant to the Bilingual Education Act of 1972 shall continue until the school and grade level of instruction funded by the 1972 act are covered by this chapter. As such school and grade level are reached, the programs funded by the 1972 act shall be replaced by or incorporated into programs funded by this chapter and the applicable provisions of this chapter shall supplement provisions of the 1972 act.

5767.8. (a) Each school district which wishes to claim reimbursement shall prepare an assessment of the needs of the limited-English-speaking pupils in attendance in the district. Such assessment shall be prepared on a school-by-school basis. It shall also list, on a school-by-school basis, all of the state and federal categorical aid funds currently available for programs to meet the needs of limited-English-speaking pupils. The number of limited-English-speaking pupils, in each school, who are not being provided with services pursuant to subdivision (a), (b), (c), or (f) of Section 5767.2 with such special funds shall be stated.

(b) Based on the needs assessed, the school district shall submit an application on a school-by-school basis on forms provided by the Department of Education. Such application shall meet the applicable criteria of the consolidated application regulations and shall include in addition the following components: (1) teacher and aide preservice training which will identify and improve knowledge

levels of each teacher and aide in teaching methodology, and bilingual-crosscultural philosophy and education, (2) an in-service training program for teachers and aides that is linked with an institution of higher education, to the maximum extent feasible, which shall include the establishment of a liaison with a nearby institution of higher education and the solicitation of help from such institution in order to upgrade continually the bilingual-crosscultural education program, and (3) an assurance that all bilingual-crosscultural aides are provided the opportunity to enroll in a career ladder program leading toward a single- or multiple-subject teaching credential, and a certificate of competence in bilingual-crosscultural education.

5767.9. At the beginning of each school year, the district shall assess each limited-English-speaking pupil. The pupil's achievement in comprehending, reading, and writing English and, to the extent assessment instruments are available, the second language of instruction shall be assessed. Pretesting of basic skills for pupil participants shall be conducted at the beginning of each school year, and posttesting of basic skill for pupil participants shall be conducted at the end of each school year. At least annually there shall be submitted to the Department of Education an evaluation of pupil progress for every program which has been approved pursuant to this chapter. The evaluation report shall identify variables, including other programs, which may have affected pupil academic achievement.

It shall also include, but not be limited to, reading comprehension and speaking skills, in English and, to the extent assessment instruments are available, the primary language.

5767.10. Teachers and teacher aides who are not bilingual-crosscultural teachers and aides, as defined by subdivisions (h) and (i) of Section 5767.2, shall not be permitted to teach in programs authorized pursuant to subdivision (a), (b), or (c) of Section 5767.2, except as provided in Section 5767.16. Such teachers are not competent, for the purposes of Section 13447, to teach in such programs.

5767.11. Prior to the enrollment of any pupil in any program authorized pursuant to subdivision (a), (b), or (c) of Section 5767.2, the governing board of the school district in which the pupil resides shall notify by mail or in person the parent, parents, or guardian of the pupil of the fact that their child or ward will be enrolled in a program of bilingual education. The notice shall contain a simple, nontechnical description of the purposes, method, and content of the program in which their child or ward will be enrolled and shall inform the parent, parents, or guardian that the parent, parents, or guardian have the right and are encouraged to visit such classes in which their child or ward will be enrolled and to come to the school for a conference to explain the nature and objectives of such education. Such notice shall further inform the parent, parents, or guardian that they have the right, if they so wish, not to have their

child or ward enrolled in such an education program. Such notice shall further inform the parent, parents, or guardian that they have the opportunity to participate in the school or school district advisory committee, or both. The written notice shall be in English and in the primary language of the pupil.

5767.12. Any parent or guardian whose child or ward has been or will be enrolled in programs authorized pursuant to subdivision (a), (b), or (c) of Section 5767.2 shall have the right, either at the time of the original notification of enrollment or at the close of any semester thereafter, to withdraw his or her child or ward from the program provided by written notice to the school authorities of the school in which his or her child or ward is enrolled or to the governing board of the school district in which his or her child or ward resides.

5767.13. A school district governing board may allow a nonresident limited-English-speaking pupil to enroll in or attend its program authorized pursuant to subdivision (a), (b), or (c) of Section 5767.2 subject to Article 7 (commencing with Section 10800) of Chapter 1 of Division 9, provided that the tuition of the child is paid by the school district in which the pupil resides.

5767.14. (a) Each school district with more than 50 limited-English-speaking pupils shall establish a districtwide advisory committee on bilingual education. Parents or guardians, or both, of limited-English-speaking pupils who are not employed by the district shall constitute a majority of the committee, unless the district designates for this purpose an existing districtwide advisory committee on which parents or guardians, or both, of limited-English-speaking pupils have membership in at least the same percentage as their children and wards represent of the total number of pupils in the district, provided that a subcommittee on bilingual-bicultural education on which parents or guardians, or both, of limited-English-speaking pupils constitute a majority is established. The district advisory committee and subcommittee, if applicable, shall be responsible for at least six specific tasks. These tasks shall be to advise the district governing board regarding:

(1) Establishment of a timetable for development of a district master plan for bilingual education.

(2) Districtwide needs assessment on a school-by-school basis.

(3) Establishment of district program goals and objectives in bilingual education.

(4) Recommendations as to which schools to include in each phase of expansion.

(5) A plan to ensure compliance with the provisions of Section 5767.16.

(6) Administration of the annual language census.

(b) Each school with more than 20 limited-English-speaking pupils shall establish a school level advisory committee on which parents or guardians, or both, of limited-English-speaking pupils constitute membership in at least the same percentage as their

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children and wards represent of the total number of pupils in the school. The school may designate for this purpose an existing school level advisory committee, or subcommittee of such an advisory committee, provided the advisory committee, or subcommittee where appropriate, meets the criteria stated above.

(c) Each school advisory committee maintained pursuant to this section shall be responsible for advising the principal and staff in the development of a detailed master plan for bilingual education for the individual school and submitting the plan to the governing board for consideration for inclusion in the district master plan. It shall also be responsible for assisting in the development of the school needs assessment and language census.

The Department of Education shall develop guidelines for the selection of advisory committees established or maintained pursuant to this section.

5767.15. (a) Out of funds appropriated for such purposes, the superintendent shall have the duty to administer the provisions of this chapter. The responsibilities of the superintendent in administering this chapter shall include, but are not limited to, ensuring that:

(1) Funds authorized to administer, monitor, review, or evaluate the provisions of this chapter are separately accounted for.

(2) Sufficient bilingual personnel are available within the Department of Education with familiarity, competency, and proficiency in bilingual-crosscultural instruction to meet the needs of this chapter and to administer, review, monitor, and evaluate the use of other state or federal categorical aid funds allocated to local districts which have been wholly or partially allocated on the basis of the educational needs of limited-English-speaking pupils.

(3) Department of Education personnel responsible for the administration, review, monitoring, or evaluation of programs operating pursuant to this chapter have been sufficiently trained to carry out the intent of this chapter to meet the needs of the limited-English-speaking pupil.

(4) There is within the Department of Education an administrative unit responsible for bilingual-bicultural educational programs and policies through which the superintendent shall carry out his functions pursuant to this chapter.

(5) Applications for reimbursement from school districts are made in accordance with this chapter; to assure that districts are providing each limited-English-speaking pupil with an educational opportunity equal to that available to English-speaking pupils; and to recommend acceptable projects for approval by the board.

(6) A plan is developed to provide for adequate monitoring of school and school district compliance with the provisions of this chapter.

(7) Develop an annual evaluation of bilingual needs and programs within the state for submission to the Legislature and to the Governor. The annual evaluation shall include a state assessment of

the educational needs of pupils and other persons who are limited English speaking, and of the extent to which such needs are being met from federal, state and local efforts.

5767.16. All principal teachers providing instruction in programs defined by subdivision (a), (b), or (c) of Section 5767.2 shall be bilingual-crosscultural teachers as defined pursuant to subdivision (h) of Section 5767.2, or shall be bilingual in English and the primary language of the limited-English-speaking pupils in his or her class and hold an internship credential, or an emergency bilingual-crosscultural credential.

In recognition of the shortage of qualified bilingual-crosscultural teachers, a school district may request a waiver from the board for a teacher who is not bilingual-crosscultural but who is enrolled in a program leading to a certificate of competence for bilingual-crosscultural instruction, pursuant to Section 13125.4. Such a teacher, with the assistance of a bilingual-crosscultural aide, may teach in a program of bilingual instruction mandated by Section 5767.4 for not more than two school years. No waiver shall be granted unless the board finds that the district made a good faith effort to recruit and hire bilingual-crosscultural teachers through the clearinghouse maintained by the Commission for Teacher Preparation and Licensing, pursuant to Section 5769.4. All waivers granted pursuant to this section shall expire not later than September 1, 1979.

No teacher employed after the effective date of this chapter to teach in programs defined by subdivision (a), (b), or (c) of Section 5767.2 shall be eligible for such a waiver.

5767.18. Funds appropriated pursuant to this chapter for programs mandated pursuant to Section 5767.4 shall be allocated to school districts by the Superintendent of Public Instruction in the following manner:

(a) The superintendent shall rank all school districts with limited-English-speaking pupils in kindergarten through grade 6 in order of the ratio of such pupils to all pupils in kindergarten through grade 6 in the district.

(1) Districts in the upper 50 percentile of the ranking and districts with 500 or more limited-English-speaking pupils in kindergarten through grade 6 shall receive funding for all such pupils before other districts with limited-English-speaking pupils in kindergarten through grade 6 receive funding.

(2) As additional funds become available, districts shall become eligible for funds based on their ranking percentage of limited-English-speaking pupils.

(3) Districts with limited-English-speaking pupils in grades 7 through 12 shall be eligible to receive reimbursement out of funds appropriated pursuant to this chapter to serve such pupils only after all eligible pupils in kindergarten through grade 6 have been served and only if such pupils are enrolled in a program authorized pursuant to subdivision (a), (b), or (c) of Section 5767.2.

(b) (1) The superintendent shall allow to each school district eligible for funding pursuant to paragraph (1) of subdivision (a) amounts based upon the ratio of the number of limited-English-speaking pupils in the district in kindergarten and grades 1 through 6 to the total number of all such pupils in kindergarten and grades 1 through 6 in school districts eligible for funding pursuant to paragraph (1) of subdivision (a).

(2) After all such districts have been fully funded, the superintendent shall allow funds to districts eligible for funding pursuant to paragraph (2) of subdivision (a) in the same manner.

(3) After all such districts have been fully funded, the superintendent shall allow to districts with limited-English-speaking pupils in grades 7 through 12 amounts based upon the ratio of the number of limited-English-speaking pupils in the district in grades 7 through 12 to the total number of limited-English-speaking pupils in grades 7 through 12 in the state.

(c) Beginning with the 1977–78 school year and each school year thereafter until all eligible schools are served, priority for eligibility within districts shall be:

(1) Elementary schools with the largest percentage of limited-English-speaking pupils and which receive federal or state categorical resources for primary grades and which have an approved school level plan.

(2) Elementary schools with the largest percentage of limited-English-speaking pupils and which are scheduled to receive federal or state categorical resources for primary grades in the succeeding school year.

(3) Elementary schools with the largest percentage of limited-English-speaking pupils but which are not scheduled to receive federal or state categorical resources for primary grades in the succeeding school year.

(4) First priority for funding in paragraphs (1) through (3) of this subdivision shall be for pupils in kindergarten and grades 1 through 3.

(5) Schools which receive funding for kindergarten and grades 1 through 3 shall have first priority in succeeding school years for funds for pupils in grades 4, 5, and 6, to be phased in at the rate of one grade per school year.

(d) The requirements for establishing programs mandated pursuant to subdivision (a) of Section 5767.4 shall be in effect as, and to the extent that, schools become eligible to receive funds for such programs as determined pursuant to this section.

(e) The requirements for establishing programs mandated pursuant to subdivision (b) of Section 5767.4 shall be in effect beginning with the 1977–78 school year.

SEC. 2. Section 5768.2 of the Education Code is amended to read:

5768.2. The Commission for Teacher Preparation and Licensing shall develop, on or before January 15th of each year, a status report

on local, state, and federally funded bilingual-crosscultural teacher preparation programs. Such report shall be made to the Legislature not later than February 15th of each year. The Board of Governors of the California Community Colleges, the Trustees of the California State University and Colleges, and the Regents of the University of California shall, by November 15 of each year, report to the Commission for Teacher Preparation and Licensing with reference to their programs in bilingual-crosscultural teacher training. Such report shall include, but not be limited to, information on special classes or programs leading to a certificate of competence for bilingual-crosscultural instruction, preservice or in-service programs offered by these institutions to bilingual-crosscultural teachers or teacher aides, the number of persons enrolled in such programs, and any other relevant data requested by the Commission for Teacher Preparation and Licensing.

SEC. 3. Section 5768.6 of the Education Code is amended to read:

5768.6. The Commission for Teacher Preparation and Licensing shall, with the assistance of a representative appointed by the Superintendent of Public Instruction, the Chancellor of the California Community Colleges, the Chancellor of the California State University and Colleges, the President of the University of California, and with five presently practicing teachers appointed by the Superintendent of Public Instruction, design a comprehensive language and culture curriculum for teachers who are already certificated. Such curriculum shall be designed to enable teachers to qualify for the bilingual-crosscultural certificate of competence authorized pursuant to Section 13125.4. Initial programs to assist on the development of this shall be offered at not less than five public institutions of higher education in California, beginning not later than September 1, 1977.

SEC. 4. Section 5769 of the Education Code is amended to read:

5769. There is hereby established a Bilingual Teacher Development Grant Program. The Student Aid Commission shall administer the Bilingual Teacher Development Grant Program. The Student Aid Commission shall evaluate candidates for grants in consultation with the Commission for Teacher Preparation and Licensing. The Student Aid Commission shall promulgate all regulations necessary for the administration of the Bilingual Teacher Development Grant Program after consultation with the Commission for Teacher Preparation and Licensing. Not less than 75 percent of the funds available for grants shall be made on the basis of need to upper division and graduate students pursuing a course of study leading to a certificate of competence for bilingual-crosscultural instruction established pursuant to Section 13125.4. Remaining funds shall be available to certificated teachers who are enrolled in the curriculum prescribed in Section 5768.6. Grants may be used to cover tuition, fees, and subsistence expenses and shall supplement and not supplant other state and federal student financial aid

programs. Grants may be renewed, provided that no student may receive grants for a period of more than three academic years.

SEC. 5. Section 5769.4 of the Education Code is amended to read:

5769.4. The Commission for Teacher Preparation and Licensing shall serve as a clearinghouse for bilingual-crosscultural teaching personnel. The commission shall compile, continually update, and maintain a directory of bilingual-crosscultural teachers available to teach in bilingual education programs. The directory shall be sent to all school districts annually. The commission shall, upon request, assist school districts in the recruitment of such teachers.

SEC. 6. There is hereby appropriated from the General Fund the sum of three million seven hundred eighty-six thousand dollars ($3,786,000) for programs authorized pursuant to Chapter 5.76 (commencing with Section 5767) of Division 6 of the Education Code to be apportioned in the following manner:

(a) The sum of three million two hundred fifty thousand dollars ($3,250,000) to the Superintendent of Public Instruction for purposes of funding programs and administering programs of bilingual education pursuant to Chapter 5.76 (commencing with Section 5767) of Division 6 of the Education Code as follows:

(1) For administration and evaluation activities for the 1976–77 fiscal year $100,000

(2) For administration and evaluation activities for the 1977–78 fiscal year $150,000

(3) For allocation to school districts for purposes of providing educational services pursuant to such chapter for the 1977–78 fiscal year above those amounts provided for such purposes in the Budget Act of 1976..... $3,000,000

(b) For allocation to the Commission for Teacher Preparation and Licensing for duties required pursuant to such chapter and Section 13125.4 of the Education Code, one hundred fifty thousand dollars ($150,000), to be expended according to the following schedule:

For the 1976–77 fiscal year $50,000

For the 1977–78 fiscal year $100,000

(c) The sum of three hundred eighty-six thousand dollars ($386,000) to the Student Aid Commission for the Bilingual Teacher Development Program, to be expended as follows:

For the 1976–77 fiscal year $36,000

For the 1977–78 fiscal year $350,000

provided, that not more than thirty-five thousand dollars ($35,000) shall be expended on administration.

SEC. 7. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act other than that contained in Section 6 because any duties imposed on local school districts by this act other than those reimbursed pursuant to Section 6, merely clarify existing state law or reaffirm for the state

that which has been declared existing law or regulation through action of the federal government.

CHAPTER 979

An act to amend Section 23604.5 of the Education Code, relating to the California State University and Colleges.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 23604.5 of the Education Code is amended to read:

23604.5. The name of any particular institution named in Section 23601 may be changed to read "California State University, _____," or "_____ State _____" (College or University, as the case may be), except that the institutions named in subdivisions (a), (b), (d), (e), (g), (h), and (p) of Section 23601 shall be changed to read "San Jose State University," "San Francisco State University," "Humboldt State University," "San Diego State University," "California Polytechnic State University, San Luis Obispo," "California State Polytechnic University, Pomona," and "Sonoma State College," respectively; provided that the term "university" may be used in the name of a particular institution only after affirmative action by the trustees and the California Postsecondary Education Commission after consideration of the criteria developed pursuant to Section 23604.4.

CHAPTER 980

An act to add and repeal Sections 22855.5 and 22856.5 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 22855.5 is added to the Education Code, to read:

22855.5. A student who is an adult alien shall be entitled to resident classification if he is a refugee who has been granted parolee status or indefinite voluntary departure status in accordance with all applicable laws of the United States; provided that he has lived in the

state one year.

This section shall be operative only until June 30, 1980, and as of that date is repealed.

SEC. 2. Section 22856.5 is added to the Education Code, to read:

22856.5. A student who is a minor alien shall be entitled to resident classification if both he and his parent are refugees who have been granted parolee status or indefinite voluntary departure status in accordance with all applicable laws of the United States; provided that he has lived in the state one year.

This section shall be operative only until June 30, 1980, and as of that date is repealed.

SEC. 3. Notwithstanding Sections 2229 and 2230 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this act nor shall there be any appropriation made by this act because there are no state-mandated local costs in this act and any revenue loss implied herein is not reimbursable under Sections 2229 and 2230 of the Revenue and Taxation Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that the limited number of aliens whose residence classification would be determined in accordance with the provisions of this bill for purposes of attending public institutions of higher education in this state may take advantage of such provisions during the 1976–77 academic year, it is essential that this bill take effect immediately.

CHAPTER 981

An act to amend Section 1081.5 of the Education Code, relating to field trips and excursions.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1081.5 of the Education Code is amended to read:

1081.5. The governing board of any school district or the county superintendent of schools of any county may:

(a) Conduct field trips or excursions in connection with courses of instruction or school-related social, educational, cultural, athletic, or school band activities to and from places in the state, any other state, the District of Columbia, or a foreign country for pupils enrolled in elementary or secondary schools. A field trip or excursion to and from a foreign country may be permitted to familiarize students with

the language, history, geography, natural sciences, and other studies relative to the district's course of study for such pupils.

(b) Engage such instructors, supervisors, and other personnel as desire to contribute their services over and above the normal period for which they are employed by the district, if necessary, and provide equipment and supplies for such field trip or excursion.

(c) Transport by use of district equipment, contract to provide transportation, or arrange transportation by the use of other equipment, of pupils, instructors, supervisors or other personnel to and from places in the state, any other state, the District of Columbia, or a foreign country where such excursions and field trips are being conducted; provided that, when district equipment is used, the governing board shall secure liability insurance, and if travel is to and from a foreign country, such liability insurance shall be secured from a carrier licensed to transact insurance business in such foreign country.

(d) Provide supervision of pupils involved in field trips or excursions by certificated employees of the district.

No pupil shall be prevented from making the field trip or excursion because of lack of sufficient funds. To this end, the governing board shall coordinate efforts of community service groups to supply funds for pupils in need of them.

No group shall be authorized to take a field trip or excursion authorized by this section if any pupil who is a member of such an identifiable group will be excluded from participation in the field trip or excursion because of lack of sufficient funds.

No expenses of pupils participating in a field trip or excursion to any other state, the District of Columbia, or a foreign country authorized by this section shall be paid with school district funds. Expenses of instructors, chaperones, and other personnel participating in a field trip or excursion authorized by this section may be paid from school district funds, and the school district may pay from school district funds all incidental expenses for the use of school district equipment during a field trip or excursion authorized by this section.

The attendance or participation of a pupil in a field trip or excursion authorized by this section shall be considered attendance for the purpose of crediting attendance for apportionments from the State School Fund in the fiscal year. Credited attendance resulting from such field trip or excursion shall be limited to the amount of attendance which would have accrued had the students not been engaged in the field trip or excursion.

Credited attendance shall not exceed 10 schooldays except in the case of a community college student or students participating in a field trip or excursion in connection with courses of instruction, or school-related educational activities, and which are not social, cultural, athletic or school band activities. No more contact hours shall be generated by a field trip or excursion than if the class were held on campus.

All persons making the field trip or excursion shall be deemed to have waived all claims against the district or the State of California for injury, accident, illness, or death occurring during or by reason of the field trip or excursion. All adults taking out-of-state field trips or excursions and all parents or guardians of pupils taking out-of-state field trips or excursions shall sign a statement waiving such claims.

No transportation allowances shall be made by the Superintendent of Public Instruction for expenses incurred with respect to field trips or excursions which have an out-of-state destination. Any school district which transports pupils, teachers or other employees of the district in schoolbuses within the state and to destinations within the state, pursuant to the provisions of this section, shall report to the Superintendent of Public Instruction on forms prescribed by him the total mileage of schoolbuses used in connection with such educational excursions. In computing the allowance to such school district for regular transportation there shall be deducted therefrom an amount equal to the depreciation of schoolbuses used for such transportation in accordance with rules and regulations adopted by the Superintendent of Public Instruction.

SEC. 2. Section 1081.5 of the Education Code is amended to read:

1081.5. The governing board of any school district or the county superintendent of schools of any county may:

(a) Conduct field trips or excursions in connection with courses of instruction or school-related social, educational, cultural, athletic, or school band activities to and from places in the state, any other state, the District of Columbia, or a foreign country for pupils enrolled in elementary or secondary schools. A field trip or excursion to and from a foreign country may be permitted to familiarize students with the language, history, geography, natural sciences, and other studies relative to the district's course of study for such pupils.

(b) Engage such instructors, supervisors, and other personnel as desire to contribute their services over and above the normal period for which they are employed by the district, if necessary, and provide equipment and supplies for such field trip or excursion.

(c) Transport by use of district equipment, contract to provide transportation, or arrange transportation by the use of other equipment, of pupils, instructors, supervisors or other personnel to and from places in the state, any other state, the District of Columbia, or a foreign country where such excursions and field trips are being conducted; provided that, when district equipment is used, the governing board shall secure liability insurance, and if travel is to and from a foreign country, such liability insurance shall be secured from a carrier licensed to transact insurance business in such foreign country.

(d) Provide supervision of pupils involved in field trips or excursions by certificated employees of the district.

No pupil shall be prevented from making the field trip or excursion because of lack of sufficient funds. To this end, the governing board

shall coordinate efforts of community service groups to supply funds for pupils in need of them.

No group shall be authorized to take a field trip or excursion authorized by this section if any pupil who is a member of such an identifiable group will be excluded from participation in the field trip or excursion because of lack of sufficient funds.

No expenses of pupils participating in a field trip or excursion to any other state, the District of Columbia, or a foreign country authorized by this section shall be paid with school district funds. Expenses of instructors, chaperones, and other personnel participating in a field trip or excursion authorized by this section may be paid from school district funds, and the school district may pay from school district funds all incidental expenses for the use of school district equipment during a field trip or excursion authorized by this section.

The attendance or participation of a pupil in a field trip or excursion authorized by this section shall be considered attendance for the purpose of crediting attendance for apportionments from the State School Fund in the fiscal year. Credited attendance resulting from such field trip or excursion shall be limited to the amount of attendance which would have accrued had the students not been engaged in the field trip or excursion.

Credited attendance shall not exceed 10 schooldays except in the case of a community college student or students participating in a field trip or excursion in connection with courses of instruction, or school-related educational activities, and which are not social, cultural, athletic or school band activities. No more contact hours shall be generated by a field trip or excursion than if the class were held on campus.

All persons making the field trip or excursion shall be deemed to have waived all claims against the district or the State of California for injury, accident, illness, or death occurring during or by reason of the field trip or excursion. All adults taking out-of-state field trips or excursions and all parents or guardians of pupils taking out-of-state field trips or excursions shall sign a statement waiving such claims. The provisions of this paragraph are not applicable in cases in which a field trip or excursion is conducted in vehicles which, at the time of the field trip or excursion, are owned by, or leased to, the school district.

No transportation allowances shall be made by the Superintendent of Public Instruction for expenses incurred with respect to field trips or excursions which have an out-of-state destination. Any school district which transports pupils, teachers or other employees of the district in schoolbuses within the state and to destinations within the state, pursuant to the provisions of this section, shall report to the Superintendent of Public Instruction on forms prescribed by him the total mileage of schoolbuses used in connection with such educational excursions. In computing the allowance to such school district for regular transportation there shall be deducted therefrom

an amount equal to the depreciation of schoolbuses used for such transportation in accordance with rules and regulations adopted by the Superintendent of Public Instruction.

SEC. 3. The Chancellor of the California Community Colleges shall monitor the utilization and costs of field trips conducted by community colleges which, in the case of any student, exceed 10 schooldays in any school year, and for which student attendance is credited to the district conducting such trips, and the chancellor shall report the findings to the Legislature on September 1st of 1978, 1979, and 1980.

SEC. 4. It is the intent of the Legislature, if this bill and Assembly Bill No. 2878 are both chaptered and become effective January 1, 1977, both bills amend Section 1081.5 of the Education Code, and this bill is chaptered after Assembly Bill No. 2878, that the amendments to Section 1081.5 proposed by both bills be given effect and incorporated in Section 1081.5 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Assembly Bill No. 2878 are both chaptered and become effective January 1, 1977, both amend Section 1081.5, and this bill is chaptered after Assembly Bill No. 2878, in which case Section 1 of this act shall not become operative.

CHAPTER 982

An act to amend Sections 6880.46, 18258, and 19682.5 of, to add Section 6755.4 to, and to repeal Sections 6758, 6770, 6771, and 6772 of, the Education Code, relating to education.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 6755.4 is added to the Education Code, to read:

6755.4. If a parent or guardian seeks to enroll his child in an educationally handicapped program and enrollment is denied, or if a parent or guardian disagrees with the proposed enrollment of a child in a program, provision shall be made for an appeals process and, if necessary, a hearing on the issue of whether or not the child shall be enrolled.

The State Board of Education shall adopt rules and regulations relating to the conduct of such appeals processes or hearings. The rules and regulations shall ensure that educationally handicapped pupils and their parents are guaranteed procedural safeguards in appeals processes and hearings regarding pupil identification, evaluation, and educational placement.

SEC. 2. Section 6758 of the Education Code is repealed.

SEC. 3. Section 6770 of the Education Code is repealed.

SEC. 4. Section 6771 of the Education Code is repealed.

SEC. 5. Section 6772 of the Education Code is repealed.

SEC. 6. Section 6880.46 of the Education Code is amended to read:

6880.46. An Advisory Committee on Development Centers for Handicapped Pupils shall be established to aid in setting standards for admission to centers, and to advise the Department of Education in the administration and operation of centers. The advisory committee shall consist of one member from the Office of Developmental Disabilities and one member from Crippled Children's Services to be appointed by the Director of Health, one member from the Department of Education to be appointed by the Director of Education, one lay member from the general public and two unrelated parents of pupils enrolled in any development center for handicapped pupils to be appointed by the Director of Education, and four members from school districts or county superintendent of schools offices participating in the program to be appointed by the Director of Education. The member from the Department of Education shall serve as secretary of the committee.

The members of the committee shall serve without compensation, except that they may receive their actual and necessary expenses incurred in the performance of their duties and responsibilities, including travel expenses.

SEC. 7. Section 18258 of the Education Code is amended to read:

18258. Any contract entered into and approved in the manner provided pursuant to Section 18256 shall entitle the approved driver training school to payment by the school district of the sum of not more than the amount reimbursable to the school district as "excess cost" provided pursuant to Sections 17305.7, 18251, and 18251.3. In the event that a student who has commenced the driver training for which the district has contracted pursuant to Section 18256 and the student does not complete the driver training for any reason, the approved private driver training school shall be paid the amount in "excess cost," if any, received by the school district for such student.

SEC. 8. Section 19682.5 of the Education Code is amended to read:

19682.5. Allocations under this article for assistance to school districts in providing necessary housing and equipment for the education of pupils enrolled or to be enrolled in development centers for the handicapped may be made only to those school districts which are authorized to operate development centers pursuant to the provisions of Chapter 8.7 (commencing with Section 6880) of Division 6.

CHAPTER 983

An act to amend Sections 40402 and 41403.1 of the Education Code, relating to postsecondary education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 40402 of the Education Code is amended to read:

40402. There shall be 23,062 new Cal Grant awards for first-time recipients for the 1977–1978 fiscal year and each year thereafter, except that new scholarships in subdivision (a) in excess of 4.25 percent of the number of high school graduates of the previous fiscal year, in subdivision (b) in excess of 5,375, and in subdivision (c) in excess of 1,062 shall not be awarded unless there are federal student financial aid funds available to the State Scholarship and Loan Commission in an amount necessary to fund such awards or unless the Legislature acts in the future to fund such awards. First priority for federal state student incentive grant funds shall be for students originally funded from state student incentive grant funds who are eligible for renewal. Such grants shall be allocated as follows:

(a) 14,900 awards for the 1977–1978 fiscal year, and each fiscal year thereafter, to be utilized for tuition and student fees pursuant to Section 40405.

(b) 6,825 awards for the 1977–1978 fiscal year and each fiscal year thereafter, to be utilized for tuition, student fees, and subsistence costs pursuant to Section 40406.

(c) 1,337 awards for the 1977–1978 fiscal year and each fiscal year thereafter, to be utilized for occupational or technical training pursuant to Section 40407 through 40411.

SEC. 2. Section 41403.1 of the Education Code is amended to read:

41403.1. There shall be 700 new grants for the 1975–1976 fiscal year and 1,337 new grants for the 1976–1977 fiscal year, except that new grants in excess of 1,062 shall not be awarded unless there are federal student financial aid funds available to the Student Aid Commission in an amount necessary to fund such awards. First priority for federal state student incentive grant funds shall be for students originally funded from state student incentive grant funds who are eligible for renewal.

SEC. 3. The sum of five hundred thousand dollars ($500,000) is hereby appropriated from the General Fund to the Student Aid Commission without regard to fiscal years for the purpose of making occupational education and training grants pursuant to Chapter 6

(commencing with Section 41400) of Division 25 of the Education Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The number of applications for occupational education and training grants has increased about 400 percent over the anticipated rate. The amount currently budgeted for such grants would thus result in a high turndown rate. If the additional funds appropriated by this act are not made available immediately, less than 10 percent of the applicants will receive grants.

In order to permit the effective operation of this valuable program, it is necessary that this act take effect immediately.

CHAPTER 984

An act to add Sections 13125.4 and 13125.5 to the Education Code, relating to bilingual education.

[Approved by Governor September 14, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 13125.4 is added to the Education Code, to read:

13125.4. The Commission for Teacher Preparation and Licensing shall grant certificates of bilingual-crosscultural competence. The purpose of these certificates is to increase the number of persons qualified to provide appropriate bilingual-crosscultural instruction to children whose native language is other than English and who are non- or limited-English-speaking. The Commission for Teacher Preparation and Licensing shall also develop an assessment program which will provide a method by which persons holding valid teaching credentials may demonstrate their competence as bilingual-crosscultural teachers without additional postsecondary education coursework. These certificates shall certify, as a minimum, the following:

(a) That the person is competent in both the oral and written skills of a language other than English;

(b) That the person has both the knowledge and understanding of the cultural and historical heritage of the students whose native language is other than English;

(c) That the person successfully can teach the basic teaching authorization in English and in a language other than English. The holder of this certificate is authorized to teach students whose native language is other than English.

SEC. 2. Section 13125.5 is added to the Education Code, to read:

13125.5. The minimum requirements for obtaining a certificate of bilingual-crosscultural competence are:

(a) A valid teaching credential;

(b) A bilingual certification in English and in a language other than English;

(c) A competency in teaching one's basic teaching authorization both in English and in a language other than English;

(d) An ability to present a sequential program of instruction in a language other than English; and

(e) A competency in the culture and heritage of the student whose native language is other than English.

SEC. 3. The Commission for Teacher Preparation and Licensing shall adopt regulations for the effective implementation of Sections 13125.4 and 13125.5 by March 1, 1977.

CHAPTER 985

An act to amend Section 2193.77 of the Business and Professions Code, relating to medical schools, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976]

The people of the State of California do enact as follows:

SECTION 1. Section 2193.77 of the Business and Professions Code is amended to read:

2193.77. (a) It is the intention of the Legislature in enacting this section to provide financial assistance to University of California medical schools operating supervised clinical training programs authorized by Section 2193.71 and to provide financial assistance to students to cover the costs of supervised clinical training programs at medical schools in this state other than University of California medical schools. The Legislature further intends to assist in, through this section, the development and operation of up to 50 places in such supervised clinical training programs on a continuing basis. Funds to support such intent may be appropriated by the Legislature in the future as part of the state budget.

(b) The Student Aid Commission shall, from funds appropriated by the Legislature for such purpose, (1) allocate the sum of no more than ten thousand dollars ($10,000) for each United States citizen up to a total of 30 students enrolled in an approved program of supervised clinical training established pursuant to Section 2193.75 to the University of California medical school operating such program and (2) allocate the sum of no more than ten thousand dollars ($10,000) to each United States citizen up to a total of 20 students,

in addition to those in paragraph (1) of this subdivision, who are accepted for enrollment by a University of California or other medical school in an approved program of supervised clinical training established pursuant to Section 2193.75 Funds appropriated to students under this section shall only be expended by students to cover the operating costs of the program. The Student Aid Commission shall insure that funds available to the University of California under subdivision (a) and this subdivision are allocated to only cover costs for students enrolled under this subdivision.

(c) The Student Aid Commission shall make grants to University of California medical schools and students enrolled in clinical training programs at a University of California medical school and at medical schools in this state other than University of California medical schools pursuant to this section based upon information provided by medical schools detailing actual incremental costs of operating supervised clinical training programs. The amount paid per student shall be decreased by the amount of federal funds received for the support of the student and by the amount of other tuition and fees paid by the students participating in the program. The commission may require such information from medical schools and students as is reasonably necessary to carry out the provisions of this section. The commission shall prescribe a standard application form for grants made pursuant to this section, and shall make such application form available to medical schools and students no later than 30 days after this section takes effect.

(d) The Student Aid Commission shall maintain statistical records on the expenditures of funds by medical schools for operating supervised clinical training programs, and the numbers of students enrolled in such programs. The commission shall report to the Legislature no later than each January 1, concerning: the numbers of students who have completed or are enrolled in supervised clinical training programs; the medical schools such students attended; the attrition rate of students enrolled in various programs; and recommendations for changes in funding such programs.

SEC. 2. There is hereby appropriated from the General Fund to the Student Aid Commission for expenditure during the 1976–77 fiscal year the amount of one hundred thousand dollars ($100,000) in augmentation of Item 369(d) of the Budget Act of 1976.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act must take immediate effect in order to allow medical schools, other than the University of California, to operate special clinical training programs. These schools stand ready to admit additional students for this program by January 1977, but need assurances they may operate the program so that students can be selected in July 1976.

CHAPTER 986

An act to amend Section 16730 of the Education Code, relating to child development services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 16730 of the Education Code is amended to read:

16730. Notwithstanding any provision of law to the contrary, the Regents of the University of California, the Trustees of the California State University and Colleges, the governing boards of community college districts, and the governing bodies of any private nonprofit institution of postsecondary education may establish and maintain child development centers on or near their respective campuses.

The Department of Education may accept funds from the Regents of the University of California, the Trustees of the California State University and Colleges, the governing boards of community college districts, any other private nonprofit postsecondary institutions, student fees, parent fees, any public funds, not otherwise prohibited by law, and any private funds or resources authorized by a public or private nonprofit agency as the 25-percent local share to obtain the 75-percent state matching funds. The governing board of any postsecondary education institution shall establish in its treasury a fund to be known as the "child development fund" into which shall be paid all funds received by the postsecondary institution for, or from the operation of, child development services under this division. The costs incurred in the maintenance and operation of child development services shall be paid as required pursuant to Section 16749.

The Superintendent of Public Instruction shall adopt rules and regulations to facilitate the funding and reimbursement procedures required by this division.

The Superintendent of Public Instruction, with approval by the State Board of Education, shall establish rules and regulations governing programs operated pursuant to this section which shall insure that subsidized day care provided to student families shall relate to the academic load of the child's parents. The definition of full- and part-time student shall be determined as the segment of postsecondary education defines full- and part-time student for academic purposes.

SEC. 2. (a) In addition to any other amount appropriated for such purpose, there is hereby appropriated from the General Fund in the State Treasury the sum of five hundred thousand dollars ($500,000) to the Superintendent of Public Instruction for

apportionment in fiscal year 1976–77 for the purposes of this act among the segments of public and private nonprofit postsecondary education in the proportions that student-parent enrollment in each segment bears to the total student-parent enrollment of all segments, consistent with the intent of this act within Division 12.5 (commencing with Section 16700) of the Education Code; provided, however, that not more than 3½ percent of such amount shall be expended for expenses of the Department of Education in administering such programs. If a segment cannot utilize its entire apportionment, the Superintendent of Public Instruction may expend unused funds at child development centers operated pursuant to this act that require funds beyond their original apportionment.

(b) Upon the effective date of this act, the Department of Education shall immediately survey the campus programs funded for the first time under Chapter 1012 of the Statutes of 1975 to determine what additional state funds are necessary in order to maintain program levels attained in fiscal year 1975–76. Within 15 days after the effective date of this act, the department shall allocate funds to accomplish such purposes; provided, that the total of such allocations shall not exceed two hundred thousand dollars ($200,000), and that such allocations shall be so made that the budget requests for such programs for the year 1977–78 shall not exceed four hundred thousand dollars ($400,000), less requests for cost-of-living increases pursuant to any general request therefor for child care programs.

SEC. 3. Beyond the amount of such allocations, the appropriation made by Section 2 of this act is for a 12-month program year commencing July 1, 1976. Whatever the implementation date, programs funded by this act shall be funded by the state at not more than the pro rata portion of the remaining amount appropriated on an annual basis, that is, the remainder of the amount appropriated by subdivision (a) shall be reduced to an amount which bears the same ratio to such remaining amount as the number of calendar months remaining in the 1976–77 fiscal year bears to 12 months. The amount by which the appropriation is so reduced shall revert to the General Fund.

SEC. 4. Funds appropriated by this act to the Superintendent of Public Instruction for apportionment among the segments of public postsecondary education shall be allocated to the operating agencies specified in Sections 23550, 24675, and 25546.50 of the Education Code for reimbursement of 75 percent of the eligible costs pursuant to Sections 16708 and 16780 of the Education Code.

Eligible costs of an operating agency for the purposes of obtaining 75 percent state matching funds shall include the value of in-kind services, other than capital outlay or contributions to capital, provided by the operating agency for the operation and maintenance of a campus child development center. The Department of Education, in consultation with the campuses, shall determine those services that may be considered in kind, and the

value of such services.

SEC. 5. Nothing in this act shall be construed to prevent campus child development centers from enrolling a mix of non-state-subsidized student families and state-subsidized families, providing the services rendered to all such families are comparable.

SEC. 6. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

There are many children who will be inadequately attended, and many persons, especially women, who will be unable to pursue their education—in either case constituting a risk to the public health and safety of Californians; it is therefore necessary that this act take effect immediately.

CHAPTER 987

An act to add and repeal Article 1 (commencing with Section 40100) to Chapter 1 of Division 25 of the Education Code, relating to student financial aid programs.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Article 1 (commencing with Section 40100) is added to Chapter 1 of Division 25 of the Education Code, to read:

Article 1. General Provisions

40100. In enacting this article, the Legislature finds and declares:

(a) The awarding of financial assistance to needy students by state-funded student aid programs appropriately considers family income in determining an applicant's financial need.

(b) Claiming of financial independence by students whose parents are in fact able to provide financial assistance unfairly redirects limited student aid dollars from students with legitimate financial need.

(c) Definitions and procedures by which a student may declare financial independence from the student's parents differ among state-funded student aid programs and among institutions. A statutory definition of when a student's eligibility for need-based,

state-funded grants is to be determined without regard to his or her parents' financial circumstances will reduce confusion and ensure that such grants are allocated to students on the basis of a more equitable evaluation of their financial need.

40101. The provisions of this article apply to all need-based student grants that are funded by the state or a public postsecondary educational institution under this division. Nothing in this article shall be construed as attempting to regulate the selection or awarding of scholarships to applicants by the state or a public postsecondary educational institution where the scholarships are funded and awarded pursuant to the terms of a private endowment, trust, or similar instrument.

40102. Except as provided for in Section 40103, the resources of an applicant's parents, and spouse where applicable, as well as those of the applicant, shall be considered in determining an applicant's financial need.

40103. The Student Aid Commission or any public postsecondary educational institution shall not consider the income of an applicant's parents in the determination of an applicant's financial need if the applicant, notwithstanding Section 211 of the Civil Code, meets one of the following requirements:

(a) Has been determined to be self-supporting prior to June 30, 1977, according to the procedures of the California postsecondary educational institution from which he or she is currently receiving need-based, state-funded financial aid.

(b) Has not lived with either parent or received financial assistance exceeding six hundred dollars ($600) from either parent for three consecutive tax years prior to the academic period for which aid is requested, and has not been claimed as an income tax exemption for the same period of time by anyone other than self or spouse.

(c) Has been a ward of the court, in which case appropriate court documents shall be submitted.

(d) Is an orphan and not claimed as a tax dependent during the current tax year by any person other than self or spouse.

(e) Has been a part of an extremely adverse home situation which is documented and supported by school or responsible community personnel such as a minister or social worker, which situation has led to estrangement from the family under circumstances where the student has not received a contribution in cash or kind from his family for the preceding 12 months. Public postsecondary educational institutions and the Student Aid Commission shall develop a procedure to allow students to appeal decisions on whether the student has been part of an adverse home situation.

40104. In instances where an applicant does not meet the criteria specified in Section 40103, and the parents refuse to provide financial information, the student may not be considered for a grant. In those instances, however, the student may be considered for a loan or employment aid to the extent that such are available on the basis of

the resources of the student and the student's spouse, if any.

40105. The provisions of this article shall apply only to grants to be awarded for the 1978–79 academic year.

This article shall be operative only until June 30, 1978, or until completion of the processing of applications for the 1978–79 academic year, whichever is later, and as of that date is repealed.

CHAPTER 988

An act making an appropriation for health science facilities, and in this connection to amend and supplement the Budget Act of 1975 (Chapter 176, Statutes of 1975) by adding Section 3.2A thereto, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 3.2A is added to the Budget Act of 1975 (Chapter 176, Statutes of 1975), to read:

HEALTH SCIENCE FACILITIES CONSTRUCTION BOND ACT PROGRAM

Sec. 3.2A. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during the 1976–77, 1977–78, and 1978–79 fiscal years for expenditures only for the programs contemplated by the Health Science Facilities Construction Program Bond Act of 1971. All such appropriations shall be paid out of the Health Science Facilities Construction Program Fund.

HIGHER EDUCATION

396.4A—For capital outlay, University of California, subject to approval of the State Public Works Board, payable from the Health Science Facilities Construction Program Fund; provided, that withdrawals shall be as required to meet current obligations as certified by the University of California		2,248,000
Schedule:		
Los Angeles, Health Sciences:		
(1) Planning, working drawings, and construct nursing facility for UCLA	1,363,000	

provided, that UCLA shall (a) with respect to current enrollment levels in the school of nursing, maintain at least the existing percentage of graduate students enrolled in clinical nurse practitioner programs, and (b) with respect to any increase above current enrollments in the school of nursing, provide that such increase occur only in clinical nurse practitioner programs, and at least 70 percent of such growth occur in primary care nurse practitioner programs.

(2) Planning, working drawings, and construct UCLA/UCR biomedical facilities 885,000

Provided, that no sums appropriated by subitem (1) shall be encumbered unless and until the President of the University of California certifies to the Director of Finance that three million eight hundred thousand dollars ($3,800,000) or more of federal matching funds are available for the purposes specified in subitem (1).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to provide matching funds for health science facilities so as to avoid losing available federal funds and to minimize cost increases and assure the education of health care professionals at the earliest possible time, it is necessary that this act take immediate effect.

CHAPTER 989

An act to amend Section 7455.3 of the Education Code, relating to regional occupational centers and programs.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 7455.3 of the Education Code is amended to read:

7455.3. Any visually handicapped, orthopedically handicapped, or deaf person who is not enrolled in a regular high school or community college program may attend a regional occupational center or regional occupational program on the same basis as a high school pupil. Additional special instruction and support services shall

be provided to such persons.

If the Superintendent of Public Instruction determines that there would be a duplication of effort to such handicapped persons if a regional occupational center or regional occupational program provided services to such persons, in that other programs exist that are available to such persons, the superintendent may disapprove of the curriculum to provide programs to such persons pursuant to Section 7451.7 and of any state funding made available pursuant to Section 18105 for such purposes.

CHAPTER 990

An act to amend Section 25505.8 of the Education Code, relating to community colleges.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 25505.8 of the Education Code is amended to read:

25505.8. A community college district may admit and shall charge a tuition fee to nonresident students. The district may exempt from all or parts of the fee:

(a) All nonresidents who enroll for six units or less. Exemptions made pursuant to this subdivision shall not be made on an individual basis; or

(b) Any nonresident who is both a citizen and resident of a foreign country, provided that the nonresident has demonstrated a financial need for the exemption and not more than 10 percent of the nonresident foreign students attending any community college district may be so exempted. Exemptions made pursuant to this subdivision may be made on an individual basis. In the same manner as other nonresident students, pursuant to subdivision (c) of Section 17666.2, community college districts shall be precluded from computing average daily attendance of nonresident foreign students.

A district may, with the approval of the Board of Governors of the California Community Colleges contract with a state, a county contiguous to California, the federal government, a foreign country, or an agency thereof, for payment of all or a part of a nonresident student's tuition fee.

The nonresident tuition fee shall be paid in equal installments at the beginning of each term as determined by the governing board of the district and shall be set by the governing board of each community college district not later than January 1st of each year. The fee shall represent the amount per student enrolled in the district, which is expended by the district for the current costs of

education as defined by the California Accounting Manual for students enrolled in grades 13 and 14.

The district governing board shall establish the nonresident tuition on the basis of one of the following computations: (a) the amount per student enrolled, derived by dividing the current costs expended from funds from all sources during the preceding year by the average daily attendance during the same year in grades 13 and 14, or (b) the statewide average current expenditure per unit of average daily attendance in grades 13 and 14 during the preceding fiscal year. The same fee shall be charged irrespective of the type of class in which the student is enrolled. Any loss in revenue generated by the nonresident tuition fee shall not be offset by additional state funding due to the loss of revenues derived therefrom.

The governing board of each community college district shall also adopt a per-unit tuition fee for nonresidents on less than a full-time basis by dividing the fee for full-time nonresidents by 30 (units) for colleges operating on the semester system, and 45 (units) for colleges operating on the quarter system. The same per-unit rate shall be charged all nonresident students attending any terms or sessions maintained by the community college outside of the instructional year. The rate charged shall be the rate established for the fiscal year in which the term or session ends.

A district shall report annually to the Board of Governors of the California Community Colleges the number of nonresidents enrolled for six units or less, the number of nonresidents enrolled for more than six units, and the total amount of fees collected from each category.

The provisions of this section which require a mandatory fee for nonresidents shall not apply to any district which borders on another state and has fewer than 500 average daily attendance, except that the provisions of this section which require annual reports to be filed with the Board of Governors of the California Community Colleges on the number of such students enrolled shall apply to such districts in the same manner as to any other district.

CHAPTER 991

An act to amend Sections 5702.5, 5753.1, 5756, 5756.5, 7459, 7460, 11475, 11475.1, 11475.5, 11477, 11481, 14111, 14245, 17411.1, 17668.6, 17702, 17951, 17951.1, 17971, 17971.1, 17971.2, 17971.3, 17971.5, 20935, 20935.1, 20935.15, and 20941 of, to add Sections 11475.2, 17971.35, and 20905.55 to, and to repeal Sections 17666.3, 20935.3, and 25502.5 of, the Education Code, and to amend Section 2228.1 of the Revenue and Taxation Code, and to amend Sections 71, 78, and 84 of Chapter 323 of the Statutes of 1976, relating to education, and declaring the urgency thereof, to take effect immediately.

02790 29920 189

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 5702.5 of the Education Code is amended to read:

5702.5. No revenue derived from the average daily attendance of adult education programs shall be expended for other than adult education purposes. Nor shall revenue derived from other average daily attendance be expended for adult education purposes.

SEC. 2. Section 5753.1 of the Education Code is amended to read:

5753.1. No community college district shall report for attendance or average daily attendance to the board of governors for apportionment any classes: (1) if the district receives full compensation for direct education costs for such class from any public or private agency, individual or group of individuals, or (2) if such classes are not located in facilities clearly identified in such a manner, and established by appropriate procedures, to insure that attendance in such classes is open to the general public, except those authorized pursuant to Section 5746.1 and those in state hospitals.

The Board of Governors of the California Community Colleges may adopt such regulations as may be necessary to enforce this section.

SEC. 3. Section 5756 of the Education Code is amended to read:

5756. "Adult," for purposes of this section, means a person 18 years of age and older or a person who is not concurrently enrolled in a regular high school program. However, persons 18 years of age or older who are concurrently enrolled in a regular high school program are not adults for purposes of this section. Adults enrolled in any classes maintained by high school or unified school districts or county superintendents of schools pursuant to Sections 7450 through 7466, 45040, 45041, 45042, and 45043 shall be reported separately, and the adult foundation program shall be used in computing district apportionments.

SEC. 4. Section 5756.5 of the Education Code is amended to read:

5756.5. For the purpose of crediting attendance for apportionments from the State School Fund during the fiscal year, apprentices enrolled in any classes maintained by high schools pursuant to Section 3074 of the Labor Code shall be classified as regular students.

Units of average daily attendance generated by apprentices enrolled in any classes maintained by community colleges pursuant to Section 3074 of the Labor Code shall be reported separately.

SEC. 4.5. Section 7459 of the Education Code is amended to read:

7459. A regional occupational center or program established and maintained by a county superintendent of schools or pursuant to a

joint powers agreement pursuant to the provisions of Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code shall receive in annual operating funds from each of the participating school districts per unit of average daily attendance an amount no less than:

(a) The unit foundation program if the unit revenue limit of the district is greater than the unit foundation program, or

(b) The unit revenue limit if the unit foundation program is greater than the revenue limit.

In no case shall any revenue derived from average daily attendance in regional occupational centers and programs be returned by the district of residence.

SEC. 5. Section 7460 of the Education Code is amended to read:

7460. Units of average daily attendance in the regional occupational centers or regional occupational programs of a county for a fiscal year are the quotient arising from dividing the total number of days of pupil's attendance in such centers, or programs, during the fiscal year by 175 and the average daily attendance so computed shall be credited to the district of residence or if the center, or program, is maintained by a school district, to the district maintaining the center or program.

Attendance in regional occupational centers, or regional occupational programs, operated under subdivision (a) of Section 7451.5 shall be considered pupil's attendance under this section, but attendance in regional occupational centers, or regional occupational programs, under subdivision (b) of Section 7451.5 shall not be so considered.

As used in this section, "school district" includes each of those districts which are cooperating in the maintenance of the center or program, with the approval of the county superintendent of schools, pursuant to Section 7451; and units of average daily attendance of pupils residing in such school district shall be credited to the school district.

SEC. 6. Section 11475 of the Education Code is amended to read:

11475. The units of average daily attendance for apportionment purposes of regularly enrolled students of a community college district during the academic year, as defined in Section 25511.5, and subject to the provisions of Section 5753.1 shall be computed by multiplying the weekly student contact hours of enrollment as recorded for the census day or days of each semester or quarter by statewide factors heretofore established by the Board of Governors of the California Community Colleges, subject to review by the Department of Finance. The census day shall be Monday of each of two census weeks of five or six consecutive days of regularly scheduled classes in each term or session as approved by the board of governors.

Attendance of such students enrolled in classes conducted in summer sessions, as distinct from summer quarters, of four weeks or more shall be counted in the computation of average daily

attendance for apportionment purposes under the provisions of this section using the following formula: multiply the sum of the weekly student contact hours of enrollment in each class during the census week of each class of the summer session by the number of scheduled weeks for each class, multiply the product so derived by the statewide factors established by the Board of Governors of the California Community Colleges, subject to review by the Department of Finance, and divide by 525. The census day shall be Monday of the second week. For classes of less than four weeks, the units of average daily attendance shall be computed by dividing the total actual class hours of attendance by 525.

SEC. 7. Section 11475.1 of the Education Code is amended to read:

11475.1. For the purposes of this section a short-term class, exclusive of Sections 11251 and 11484, is any class scheduled for less than a full quarter, semester, or other sessions as approved by the Chancellor of the California Community Colleges to meet the requirements of Section 17551.

Notwithstanding Section 11475, units of average daily attendance of students enrolled in credit and noncredit short-term classes qualifying for a state apportionment in the 1974–75, 1975–76, 1976–77, and 1977–78 college years shall be computed by dividing actual class hours of attendance by 525.

This section shall remain in effect only until July 1, 1978, and is repealed as of that date.

SEC. 8. Section 11475.2 is added to the Education Code, to read:

11475.2. Commencing with the 1973–74 fiscal year and thereafter, notwithstanding Section 22855, for the purposes of crediting community college attendance for apportionments from the State School Fund, students lawfully admitted to the United States for permanent residence in accordance with all applicable laws of the United States and enrolled at a community college in a class in English and citizenship for foreigners as provided in Section 5757 shall be counted as resident students to the extent of their enrollment in such classes.

SEC. 9. Section 11475.5 of the Education Code is amended to read:

11475.5. The Board of Governors of the California Community Colleges shall, with the approval of the Department of Finance, determine two census weeks for each term of the regular academic year, and a single census week for summer sessions.

The Board of Governors, after appropriate study, shall develop a drop date for reporting students in active attendance which shall be no later than the day prior to the beginning of the second census week in regular academic terms; and such census weeks shall be used for all apportionment purposes for the fiscal year beginning July 1, 1975, and subsequent fiscal years.

In its study, the Board of Governors shall consider the needs of students, most particularly those who are unable to complete a term

due to illness or other extenuating circumstances, while at the same time making the drop date meaningful to the measurement of average daily attendance.

In implementing the intent of this section, the Board of Governors shall insure that local governing boards maintain sufficient administrative flexibility to provide adequately for the academic needs of students.

Beginning with the fiscal year 1975–76, new census week or weeks factors shall be used for all computations of state apportionment

The chancellor's office shall study and test the validity of such factors, and periodically the board of governors may make such adjustments as are necessary and as are agreed to by the Department of Finance.

SEC. 10. Section 11477 of the Education Code is amended to read:

11477. The attendance of all students not residents of a community college district enrolled in courses during the academic year shall be kept separately from all other attendance and the units of average daily attendance for such students shall be computed on an individual basis in the applicable manner prescribed in Section 11475 or 11476.1.

The units of average daily attendance of students who are not residents of the community college district enrolled in summer schools and classes for adults shall be kept separately from all other attendance and be computed on an individual basis in the applicable manner prescribed in Section 11475 or 11476.1.

SEC. 11. Section 11481 of the Education Code is amended to read:

11481. The total units of average daily attendance in the community colleges of a district shall be the total of units of average daily attendance computed under Sections 11475 and 11476.1.

SEC. 12. Section 14111 of the Education Code is amended to read:

14111. District taxes may be levied and collected annually pursuant to this section by the respective districts at the same time and in the same manner as other district taxes are levied and collected. The tax shall be in addition to any other district tax now or hereafter authorized by law, and shall not be considered in fixing maximum rates of taxes for school or community college district purposes.

Such tax is for the purpose of providing funds to make contributions to the Teachers' Retirement Fund required of school districts under Section 14100 and to local retirement systems, and the rate shall be such as necessary to raise the amount of difference between the estimated amount of contribution needed and the estimated amount of foundation support provided by Sections 17668.5 and 17668.6.

The tax rate provided by this section shall not exceed ten cents ($0.10) per each one hundred dollars ($100) of the assessed value of

property in an elementary school district or five cents ($0.05) per each one hundred dollars ($100) of the assessed value of property within a high school district or community college district.

In a unified school district the tax rate provided by this section shall not exceed fifteen cents ($0.15) per each one hundred dollars ($100) of the assessed value of property within the district.

If at the end of any school year there remains an unencumbered balance derived from the revenue of the increase in tax rate provided by this section, such balance shall be used exclusively in the following school year for the expenditures of the school district during that year required by Section 14100.

SEC. 13. Section 14245 of the Education Code is amended to read:

14245. The first three hundred dollars ($300) of the monthly allowances payable by the system to retirants, disabilitants, and beneficiaries are increased as of July 1, 1976, as follows if the member had 20 or more years of credited service:

(a) For those with effective dates prior to July 1, 1972, 9 percent;

(b) For those with effective dates from July 1, 1972, to June 30, 1973, 6 percent;

(c) For those with effective dates from July 1, 1973, to June 30, 1974, 3 percent.

SEC. 14. Section 17411.1 of the Education Code is amended to read:

17411.1. The Chancellor of the California Community Colleges shall withhold from the apportionment to a community college district, as a part of the first principal apportionment and second principal apportionment, the amount allowed the district for the average daily attendance in grades 13 and 14 by reason of the operation of Sections 17668.6 and 17971 through 17971.7 of students residing in the district who were in attendance at a community college in another district. The amount withheld per unit of average daily attendance shall be determined by dividing the total amount of basic state aid and state equalization aid computed for the district of residence of such students by the total resident average daily attendance of the district.

The Chancellor of the California Community Colleges shall add the amount withheld to the apportionment required to be made to the community college district maintaining the community college at which the students were in attendance.

SEC. 15. Section 17666.3 of the Education Code is repealed.

SEC. 16. Section 17668.6 of the Education Code is amended to read:

17668.6. The chancellor's office of the California Community Colleges each year shall compute an amount of state aid in support of Community College State Teachers' Retirement contributions determined as follows:

(a) Compute an amount to be known as district aid which a tax levied on each one hundred dollars ($100) of 100 percent of the

assessed valuation in such district as shown by the equalized assessment role of the district for the current year as modified pursuant to Section 17262 would produce if levied if such tax was one and six-tenths cents ($0.016) in the 1976–77 fiscal year and an additional two-tenths of one cent ($0.002) in each fiscal year thereafter to a maximum of two cents ($0.02).

(b) Compute an amount to be known as the Foundation Program by multiplying the average daily attendance of residents of such community college district by thirty-two dollars ($32) for the 1976–77 fiscal year and an additional four dollars ($4) in each fiscal year thereafter to a maximum of forty dollars ($40).

(c) Subtract the result of subdivision (a) from the result of subdivision (b) for such district the difference to be known as state aid for the State Teachers' Retirement increase.

Further, the chancellor's office of the California Community Colleges shall identify to each community college district the amount of increased state aid granted under this section which shall be used as a limitation on the taxes that may be levied and collected annually under the provisions of Section 14111 of the Education Code.

SEC. 17. Section 17702 of the Education Code is amended to read:

17702. The Superintendent of Public Instruction shall compute for each district described herein which does not come within the provisions of Section 17702.2 the amount, to be known as district aid, which a tax levied on each one hundred dollars ($100) of 100 percent of the assessed valuation in such district as shown by the equalized assessment roll of the district for the current year pursuant to Section 17701.4, as modified pursuant to Section 17262, would produce if levied, if such tax was:

(a) Two dollars and twenty-three cents ($2.23) in an elementary school district.

(b) One dollar and sixty-four cents ($1.64) in a high school district.

SEC. 18. Section 17951 of the Education Code is amended to read:

17951. The allowance for each unit of average daily attendance during the 1976–77 fiscal year for adults, as adults are defined in Section 5756, for high school districts shall be the adult foundation program of eight hundred sixty-two dollars ($862) less the product of one dollar ($1) multiplied by each one hundred dollars ($100) of the assessed valuation of the district, as modified pursuant to Section 17262, per unit of total regular high school average daily attendance plus adult average daily attendance. The total of state aid shall not be less than one hundred twenty-five dollars ($125) per unit of average daily attendance.

For each subsequent fiscal year, the foundation program for adults in high schools for the previous fiscal year shall be increased by the same percentage increase by which the high school foundation program is increased.

SEC. 19. Section 17951.1 of the Education Code is amended to

read:

17951.1. The Superintendent of Public Instruction shall determine the amount of state equalization aid to be added to the regular high school foundation program apportionments for each school district with adult average daily attendance in the 1976–77 fiscal year as follows:

He shall determine the adult average daily attendance used in computing state aid under the high school foundation program in the 1975–76 fiscal year and compute the 1976–77 fiscal year equalization aid according to the high school foundation program for the 1976–77 fiscal year using that 1975–76 fiscal year average daily attendance.

He shall recompute the equalization aid to the high school foundation program with the adult average daily attendance excluded and shall determine the loss of equalization aid due to excluding adult average daily attendance. To this amount he shall add the state equalization aid for defined adults in the 1975–76 fiscal year. He shall compute the state equalization aid for adults pursuant to Section 17951 and shall deduct this amount from the sum of the state equalization aid for defined adults in the 1975–76 fiscal year and the loss of equalization aid due to excluding adults from the high school foundation program. The remainder shall be added to the equalization aid for the high school foundation program for that district in the 1976–77 fiscal year. In each subsequent fiscal year the same calculation shall be used, using that year's adult average daily attendance, up to, but not to exceed, the adult average daily attendance used in computing the high school foundation program in the 1975–76 fiscal year.

If the adult average daily attendance of the current year is less than the comparable adult average daily attendance determined for 1975–76 the current year adult average daily attendance shall be used in lieu of the 1975–76 adult average daily attendance in determining the amount of state equalization aid to be added to the regular high school program. If there is no adult average daily attendance for the current year this section shall not apply.

SEC. 20. Section 17971 of the Education Code is amended to read:

17971. (a) If the total units of average daily attendance for a community college district computed pursuant to Sections 11475 and 11476.1, for the 1976–77 fiscal year second principal apportionment is equal to or greater than the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1975–76 fiscal year second principal apportionment, the chancellor's office of the California Community Colleges shall apportion state aid to the district for its 1975–76 fiscal year level of student attendance in accordance with subdivision (b) if the total units of average daily attendance are greater than 3,000, and subdivision (d) otherwise, and shall apportion additional state aid to the district for growth in student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year in accordance with subdivision (c) if the total units of

average daily attendance are greater than 3,000, and subdivision (e) otherwise.

(b) For each community college district with more than 3,000 units of average daily attendance, the state apportionment for its 1975–76 fiscal year level of student attendance shall be computed as follows:

(1) Determine the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(2) Multiply the amount determined in (1) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(3) Add the result of the computation in (2) to the amount of the 1975–76 fiscal year state second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(4) Multiply the amount determined in paragraph (3) by the demographic factor for the district determined pursuant to subdivision (g). The result of this computation shall be the state apportionment to the district in the 1976–77 fiscal year for its 1975–76 fiscal year level of student attendance.

(c) For each community college district with more than 3,000 units of average daily attendance for the 1975–76 fiscal year, the state apportionment in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year shall be computed as follows:

(1) Determine the amount of the 1975–76 fiscal year state second principal apportionment to all community college districts for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(2) Divide the amount determined in (1) by the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for all community college districts on the 1975–76 fiscal year state second principal apportionment.

(3) Multiply the result of the computation in (2) by 1.06 times the equalization factor for the district determined pursuant to subdivision (f) and the demographic factor for the district determined pursuant to subdivision (g).

(4) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 11475 to 11501, inclusive, on the 1975–76 fiscal year state second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 11475 and 11476.1 for the 1976–77 fiscal year state second principal apportionment.

(5) Multiply the result of the computation in (3) by the amount determined in (4). The result of this computation shall be the state apportionment to the district in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the

1976–77 fiscal year. In no case shall this amount be less than one hundred twenty-five dollars ($125) times the increase in the total units of average daily attendance for the district determined in step (4) above.

(d) For each community college district with less than 3,001 units of average daily attendance for the 1975–76 fiscal year, the state apportionment for its 1975–76 fiscal year level of student attendance shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1975–76 fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in (1).

(3) Multiply the number determined in (2) by the amount determined pursuant to paragraph (c) (3).

(4) Multiply the number determined in (3) by the units of average daily attendance determined in (1).

(5) The state apportionment to the district for its 1975–76 fiscal year level of student attendance is the greater of paragraph (4) or that amount determined by paragraph (b) (4).

(e) If the total units of average daily attendance for the 1975–76 fiscal year are less than 3,001.

(1) Multiply the number determined in paragraph (c) (4) by the number determined in paragraph (d) (3).

(2) The state apportionment to the district in the 1976–77 fiscal year for the growth in its student attendance between the 1975–76 fiscal year and the 1976–77 fiscal year shall be the greater of paragraph (1) and that determined by paragraph (c) (5).

(f) The equalization factor for a district shall be computed as follows:

(1) Divide the total modified assessed valuation for all community college districts on the 1976–77 fiscal year second principal apportionment by the total units of resident average daily attendance for all community college districts computed pursuant to Sections 11475 and 11476.1 for the 1976–77 fiscal year second principal apportionment.

(2) Divide the modified assessed valuation for the district on the 1976–77 fiscal year second principal apportionment by the total units of resident average daily attendance for the district computed pursuant to Sections 11475 and 11476.1 for the 1976–77 fiscal year second principal apportionment.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount shall be the equalization factor for the district. The maximum equalization factor for any district shall be 2.

(g) The demographic factor for a district shall be computed as

follows:

(1) Divide the total units of resident average daily attendance for all community college districts on the 1976–77 fiscal year second principal apportionment by the total adult population, excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more and persons residing in military barracks, for all community college districts on January 1, 1977, as estimated by the Department of Finance in cooperation with the chancellor's office.

(2) Divide the units of resident average daily attendance for the district on the 1976–77 fiscal year second principal apportionment by the total adult population, excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more and persons residing in military barracks, of the district on January 1, 1977, as estimated by the Department of Finance in cooperation with the chancellor's office.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount in no case shall be more than 1.5.

(4) The demographic factor shall be 1.0 for those districts whose value calculated in paragraph (3) is below the median of the values calculated in paragraph (3) and for all other districts shall be one plus that portion of the value calculated in (3) which results in a total state apportionment of four million dollars ($4,000,000) to those districts with a value as determined in paragraph (3) of this subdivision that exceeds the statewide median value for this calculation for the demographic factor.

(h) This section is repealed as of December 31, 1977.

SEC. 21. Section 17971.1 of the Education Code is amended to read:

17971.1. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 11475 and 11476.1 for the 1976–77 fiscal year second principal apportionment is less than the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1975–76 fiscal year second principal apportionment, the chancellor's office of the California Community Colleges shall compute the state apportionment to the district in the 1976–77 fiscal year in acccordance with subdivision (b) if the total units of average daily attendance for the 1975–76 fiscal year second principal apportionment is greater than 3,000, and in accordance with subdivision (c) otherwise.

(b) The state apportionment to each community college district with total units of average daily attendance for the 1975–76 fiscal year second principal apportionment greater than 3,000 shall be computed as follows:

(1) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant

to Sections 11475 to 11501, inclusive, on the 1975–76 fiscal year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 11475 to and 11476.1 for the 1976–77 fiscal year second principal apportionment.

(2) Determine the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(3) Divide the amount determined in (2) by the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the district on the 1975–76 fiscal year second principal apportionment.

(4) Multiply the amount determined in (1) by the result of the computation in (3).

(5) Subtract the result of the computation in (4) from the amount of the 1975–76 fiscal year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 to 11501, inclusive.

(6) Multiply the result of the computation in (5) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(7) Add the result of the computation in (6) to the result of the computation in (5).

(8) Multiply the amount determined in paragraph (7) by the demographic factor for the district determined pursuant to subdivision (g) of Section 17971. The result of this computation shall be the second principal apportionment to the district in the 1976–77 fiscal year.

(c) For each community college district with less than 3,001 units of average daily attendance for the 1975–76 fiscal year, the state apportionment shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 11475 to 11501, inclusive, for the 1975–76 fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3) of Section 17971.

(4) Multiply the number determined in paragraph (3) by the total units of average daily attendance computed pursuant to Sections 11475 and 11476.1 for the 1976–77 fiscal year second principal apportionment.

(5) The state apportionment to the district shall be the greater of paragraph (4) or that amount determined by paragraph (b) (8).

(d) This section is repealed as of December 31, 1977.

SEC. 22. Section 17971.2 of the Education Code is amended to read:

17971.2. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 11475 and 11476.1 for the second principal apportionment in the 1977–78 fiscal year or years thereafter is equal to or greater than the total units of average daily attendance computed pursuant to Sections 11475 and 11476.1 for the prior year second principal apportionment, the chancellor's office shall apportion state aid to the district for its prior level of student attendance in accordance with subdivision (b) if the total units of average daily attendance are greater than 3,000, and subdivision (d) otherwise, and shall apportion additional state aid to the district for growth in student attendance between the prior year and the current year in accordance with subdivision (c) if the total units of average daily attendance are greater than 3,000, and subdivision (e) otherwise.

(b) For each community college district with more than 3,000 units of average daily attendance, the state apportionment for its prior year level of student attendance shall be computed as follows:

(1) Determine the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 and 11476.1.

(2) Multiply the amount determined in (1) by 0.06 times the equalization factor for the district determined pursuant to subdivision (f).

(3) Add the result of the computation in (2) to the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 and 11476.1.

(4) Multiply the amount determined in paragraph (3) by the demographic factor for the district determined pursuant to subdivision (g) of Section 17971.2. The result of this computation shall be the state apportionment to the district in the current year for the prior year level of student attendance.

(c) For each community college district with more than 3,000 units of average daily attendance for the prior fiscal year, the state apportionment in the current year for the growth in its student attendance between the prior year and the current year shall be computed as follows:

(1) Determine the amount of the prior year second principal apportionment to all community college districts for student attendance computed pursuant to Sections 11475 and 11476.1.

(2) Divide the amount determined in (1) by the total units of average daily attendance computed pursuant to Sections 11475 and 11476.1 for all community college districts on the prior year second principal apportionment.

(3) Multiply the result of the computation in (2) by 1.06 times the equalization factor for the district determined pursuant to subdivision (f) and the demographic factor for the district determined pursuant to subdivision (g).

(4) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 11475 and 11476.1 on the prior year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 11475 and 11476.1 for the current year second principal apportionment.

(5) Multiply the result of the computation in (3) by the amount determined in (4). The result of this computation shall be the state apportionment to the district in the current year for the growth in the student attendance between the prior year and the current year. In no case shall this amount be less than one hundred twenty-five dollars ($125) times the increase in the total units of average daily attendance for the district determined in (4).

(d) For each community college district with less than 3,001 units of average daily attendance for the prior fiscal year, the state apportionment for its prior fiscal year level of student attendance shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 11475 and 11476.1 for the prior fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3).

(4) Multiply the number determined in paragraph (3) by the equalization factor determined in subdivision (f).

(5) Multiply the number determined in paragraph (4) by 1.06.

(6) Multiply the number determined in paragraph (3) by the units of average daily attendance determined in paragraph (1).

(7) The state apportionment to the district for its prior fiscal year level of student attendance is the greater of (4) or that amount determined by paragraph (b) (4).

(e) If the total units of average daily attendance for the prior fiscal year are less than 3,001:

(1) Multiply the number determined in paragraph (c) (4) by the number determined in paragraph (d) (3).

(2) The state apportionment to the district in the 1977–78 fiscal year or fiscal years thereafter for the growth in its student attendance between the prior fiscal year and the current fiscal year shall be the greater of paragraph (1) and that determined by paragraph (c) (5).

(f) The equalization factor for a district shall be computed as follows:

(1) Divide the total modified assessed valuation for all community college districts on the current year second principal apportionment by the total units of resident average daily attendance for all

community college districts computed pursuant to Sections 11475 and 11476.1 for the current year second principal apportionment.

(2) Divide the modified assessed valuation for the district on the current year second principal apportionment by the total units of resident average daily attendance for the district computed pursuant to Sections 11475 and 11476.1 for the current year second principal apportionment.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount shall be the equalization factor for the district. The maximum equalization factor for any district shall be 2.

(g) The demographic factor for a district shall be computed as follows:

(1) Divide the total units of resident average daily attendance for all community college districts on the current fiscal year second principal apportionment by the total adult population, excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more persons residing in military barracks, for all community college districts on January 1 of the current fiscal year as estimated by the Department of Finance in cooperation with the chancellor's office.

(2) Divide the units of resident average daily attendance for the district on the current fiscal year second principal apportionment by the total adult population, excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more persons residing in military barracks, of the district on January 1 of the current fiscal year as estimated by the Department of Finance in cooperation with the chancellor's office.

(3) Divide the result of the computation in (1) by the result of the computation in (2). This amount in no case shall be more than 1.5.

(4) The demographic factor shall be 1.0 for those districts whose value calculated in paragraph (3) is below the median of the values calculated in paragraph (3) and for all other districts shall be 1 plus that portion of the value calculated in (3) which results in a total state apportionment of four million dollars ($4,000,000) to those districts with a value as determined in paragraph (3) of this subdivision that exceeds the statewide median value for this calculation for the demographic factor.

SEC. 23. Section 17971.3 of the Education Code is amended to read:

17971.3. (a) If the total units of average daily attendance for the community college district computed pursuant to Sections 11475 and 11476.1 for the current year second principal apportionment is less than the total units of average daily attendance computed pursuant to Sections 11475 and 11476.1 for the prior year second principal apportionment, the chancellor's office of the California Community Colleges shall compute the state apportionment to the district in

accordance with subdivision (b) if the total units of average daily attendance for the prior year second principal apportionment is greater than 3,000, and in accordance with subdivision (c) otherwise.

(b) The state apportionment to each district with total units of average daily attendance for the prior year second principal apportionment greater than 3,000 shall be computed as follows:

(1) Determine the amount of the difference between the total units of average daily attendance for the district computed pursuant to Sections 11475 and 11476.1 on the prior year second principal apportionment and the total units of average daily attendance for the district computed pursuant to Sections 11475 and 11476.1 for the current year second principal apportionment.

(2) Determine the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 and 11476.1.

(3) Divide the amount determined in (2) by the total units of average daily attendance computed pursuant to Sections 11475 and 11476.1 for the district on the prior year second principal apportionment.

(4) Multiply the amount determined in (1) by the result of the computation in (3).

(5) Subtract the result of the computation in (4) from the amount of the prior year second principal apportionment to the district for student attendance computed pursuant to Sections 11475 and 11476.1.

(6) Multiply the result of the computation in (5) by 0.06 times the equalization factor for the district determined pursuant to subdivision (c) of Section 17971.2.

(7) Add the result of the computation in (6) to the result of the computation in (5).

(8) Multiply the amount determined in paragraph (7) by the demographic factor for the district determined pursuant to subdivision (g) of Section 17971.2. The result of this computation shall be the second principal apportionment to the district in the current year.

(c) For each community college district with less than 3,001 units of average daily attendance for the prior fiscal year, the state apportionment shall be computed as follows:

(1) Determine the total units of average daily attendance computed pursuant to Sections 11475 and 11476.1 for the prior fiscal year second principal apportionment.

(2) Determine a small district multiplier equal to $1.0/(a + bx)$ where

$a = .47615$

$b = .0001746$, and

$x =$ the units of average daily attendance determined in paragraph (1).

(3) Multiply the number determined in paragraph (2) by the number determined in paragraph (c) (3) of Section 17971.2.

(4) Multiply the number determined in paragraph (3) by the units of average daily attendance computed pursuant to Sections 11475 and 11476.1 for the current fiscal year second principal apportionment.

(5) The state apportionment to the district shall be the greater of paragraph (4) or that amount determined by paragraph (b) (8).

SEC. 24. Section 17971.5 of the Education Code is amended to read:

17971.5. The Chancellor of the California Community Colleges shall exclude from the computation of state apportionments the units of average daily attendance of nonresident students and of inmates of any state penal institution for adults or any city, county, or city and county jail, road camp, or farm for adults; however, he shall allow any community college district, which has boundaries coterminous with those of a city and county, maintaining classes for inmates of any state institution for adults or any city, county, or city and county jail, road camp, or farm for adults an amount equal to the actual current expenses of the community college district for such classes. The amount so allowed to such a community college district for each unit of average daily attendance in such classes shall in no event exceed the amount of total state aid per unit of average daily attendance which said district would have received, had the average daily attendance in such classes not been excluded.

SEC. 25. Section 17971.35 is added to the Education Code, to read:

17971.35. For purposes of Sections 17971, 17971.1, 17971.2, and 17971.3, unless otherwise specified, "total units of average daily attendance" means units of average daily attendance of students who are residents of the community college district and of students as defined in Section 17971.4 attending in the community college district.

SEC. 26. Section 20905.55 is added to the Education Code, to read:

20905.55. Any gain or loss of average daily attendance used in the revenue limit calculation in Section 20905 which is due to reclassifying high school average daily attendance to adult average daily attendance pursuant to Chapter 323 of the Statutes of 1976 shall not be used in determining the amount allowed in Section 20905.5.

Any gain or loss of average daily attendance used in the revenue limit calculation in Section 20905 which is due to attendance in regional occupational centers or programs pursuant to Sections 7459 and 7460 shall not be used in determining the amount allowed in Section 20905.5.

SEC. 27. Section 20935 of the Education Code is amended to read:

20935. (a) For fiscal year 1976–77, the maximum general purpose tax rate shall be computed pursuant to this section by the county superintendent of schools for each community college district in the county. This maximum general purpose tax rate shall be exclusive of

taxes provided in Section 1905, 14111, 15517, 15518, 16750, 20755, 20801, 22101, or 25541.5 of the Education Code and Section 5302.5 of the Streets and Highways Code. The maximum general purpose tax rate which may be levied by, or on behalf of, a community college district in the 1976–77 fiscal year, shall be the general purpose tax rate a community college district was authorized to levy in the 1975–76 fiscal year pursuant to former Section 20935, exclusive of the tax provided pursuant to Section 14111 and adjustments for under- or over-estimating average daily attendance in the 1974–75 fiscal year pursuant to former Section 20936.5 plus or minus adjustments for under- or over-estimating average daily attendance in the 1975–76 fiscal year pursuant to former Section 20936.5, or a tax rate computed in accordance with the following procedure:

(1) Determine the 1975–76 fiscal year general purpose tax rate levied by the district pursuant to former Section 20935 and former Section 20936.5.

(2) Add to (1) the property tax rate on the secured roll which would produce an amount of property tax revenue equal to the following:

(A) The amount of the property tax revenue which would be received by such district in the current fiscal year by levying its 1975–76 fiscal year general purpose tax rate against the district's total assessed value for the current year, subtracted from;

(B) The amount of property tax revenue which would be received by such district in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change in the adult population of the district (as determined pursuant to Section 2228.1 of the Revenue and Taxation Code) plus the percentage equal to the prior years' percentage change in "Government Purchases of Goods and Services, State and Local" as determined by the Department of Finance.

(b) As used in this section, "property tax revenue from the prior year" means the revenue which would have been received by a district in the prior fiscal year by levying the 1975–76 fiscal year general purpose property tax rate authorized by former Section 20935 against the total assessed value for such year.

(c) As used in this section, "total assessed value" means all assessed value subject to ad valorem property taxation by a district plus assessed value attributable to the homeowners' property tax exemption and to the business inventory property tax exemption.

SEC. 28. Section 20935.1 of the Education Code is amended to read:

20935.1. For fiscal year 1977–78 and each fiscal year thereafter, the maximum general purpose tax rate shall be computed pursuant to this section by the county superintendent of schools for each community college district in the county. This maximum general purpose tax rate shall be exclusive of taxes provided in Section 1905, 14111, 15517, 15518, 16750, 20755, 20801, 22101, or 25541.5 of the

Education Code and Section 5302.5 of the Streets and Highways Code.

The maximum general purpose tax rate which may be levied by or on behalf of a community college district in 1977–78 and each fiscal year thereafter shall be the general purpose tax rate which could have been levied in the prior year pursuant to Section 20935 or 20935.1 of the Education Code or a tax rate computed in accordance with the following alternate procedure:

(1) Determine the prior year general purpose tax rate which could have been levied by the district pursuant to Section 20935 or 20935.1 of the Education Code,

(2) Add to (1) the property tax rate on the secured roll which would produce an amount of property tax revenue equal to the following:

(a) The amount of the property tax revenue which would be received by such district in the current fiscal year by levying the rate identified in subdivision (1) of this section against the district's total assessed value for the current year, subtracted from

(b) The amount of property tax revenue which would be received by such district in the current fiscal year if its property tax revenue from the prior year were to change by a percentage equal to the following: the percentage change in the adult population of the district (as determined pursuant to Section 2228.1 of the Revenue and Taxation Code) plus the percentage equal to the prior years' percentage change in "Government Purchase of Goods and Services, State and Local" as determined by the Department of Finance.

For the 1977–78 fiscal year only, the maximum authorized general purpose tax rate shall be adjusted, plus or minus, for corrections in the factors for adult population change and "Government Purchase of Goods and Services, State and Local," and other estimating errors made in determining the 1976–77 maximum authorized general purpose tax rate.

As used in this section, "property tax revenue from the prior year" means the revenue which would have been received by a district in the prior fiscal year by levying the maximum prior year general purpose property tax rate authorized by Section 20935 or 20935.1 of the Education Code against the total assessed value for such year.

As used in this section, "total assessed value" means all assessed value subject to ad valorem property taxation by a district plus assessed value attributable to the homeowners' property tax exemption and to the business inventory property tax exemption.

SEC. 29. Section 20935.3 of the Education Code is repealed.

SEC. 30. Section 20935.15 of the Education Code is amended to read:

20935.15. The maximum tax rate of a community college district the boundaries of which are coterminous with those of a city and county shall be increased, or decreased, as the case may be, by the amount necessary to reflect or accommodate any change in the property tax revenues allocable to the district for public school

purposes or any change in expenditures required of the district for public school purposes resulting from an election conducted prior to July 1, 1976, affecting such revenues or expenditures conducted pursuant to the charter of the city and county.

SEC. 31. Section 20941 of the Education Code is amended to read:

20941. For the 1977–78 fiscal year and each fiscal year thereafter:

(a) The maximum tax rate for adult education programs of a school district shall be computed pursuant to this section by the county superintendent of schools.

(b) The revenue limit per adult foundation program unit of average daily attendance for the district for the prior fiscal year shall be divided into the adult foundation program amount per unit of average daily attendance for the prior year. If the quotient is greater than one, it shall be deemed to be one.

(c) The adult foundation program amount per unit of average daily attendance used as the dividend in subdivision (b) shall be determined pursuant to Section 17951.

(d) The inflation adjustment shall be based on the increase or decrease in the adult foundation program amount per unit of average daily attendance for the budget year compared with the preceding year.

(e) The amount determined pursuant to subdivision (d) shall be multiplied by the quotient determined pursuant to subdivision (b). The resultant amount shall constitute the revenue limit inflation adjustment of the district per unit of average daily attendance.

(f) The revenue limit inflation adjustment shall be added or subtracted, as the case may be, to the prior year revenue limit per adult foundation program unit of average daily attendance of the district and the sum multiplied by the estimated adult foundation program average daily attendance of the budget year. The product shall be the adult revenue limit of the district for the budget year.

(g) Any district which has an adult revenue limit computed pursuant to subdivision (f) which is equal to or less than the adult foundation program computed for the district pursuant to Section 17951 may increase its revenue limit computed pursuant to subdivision (f) to the lesser of the adult foundation program level of the district or the prior year revenue limit increased by 15 percent, beginning in 1977–78.

(h) From the amount computed pursuant to subdivision (f) or (g), there shall be subtracted the basic state aid and state equalization aid to be received for the budget year, and the amount of income to be received from the equalization offset tax pursuant to Section 17263.1.

(i) The amount determined pursuant to subdivision (h) shall be (1) adjusted as provided in subdivision (d) of Section 10805 and (2) adjusted sufficiently to allow for the mandated increases in 1976–77 and subsequent years for district contributions for the State Teachers' Retirement System as required by Section 14100. Such

adjustment together with any adjustment allowed in Section 20905 for the same purpose shall not exceed the revenue derived by the tax rate provided in Section 14111.

(j) From the amount computed pursuant to subdivision (i), there shall be subtracted the amount of money collected or to be collected as taxes related to adult education on property on the unsecured roll of the budget year and income from the prior year's taxes.

(k) For the purposes of this subdivision, the assessed valuation used in computing the maximum tax rate is defined as the total actual assessed valuation, including business inventory and homeowners' exemption and exclusive of the assessed valuation increment used to allocate tax receipts to a redevelopment agency pursuant to Article 6 (commencing with Section 33670) of Chapter 6 of Part 1 of Division 24 of the Health and Safety Code.

The amount determined pursuant to subdivision (j) shall be divided by the amount of actual assessed valuation of the district on the secured roll after due allowance for delinquencies, pursuant to Section 20704. The quotient multiplied by 100 shall be the tax rate on each one hundred dollars ($100) of such assessed valuation and shall be the maximum adult education tax rate which may be levied in the district during the 1976–77 fiscal year.

This section shall be subject to the provisions of Sections 20906 and 20907.

SEC. 32. Section 25502.5 of the Education Code is repealed.

SEC. 33. Section 2228.1 of the Revenue and Taxation Code is amended to read:

2228.1. (a) Annually, the Department of Finance shall transmit to each community college district an estimate of its annual percentage change in adult population. Such estimates shall indicate the percentage change in the resident population excluding the population in state and federal correctional institutions and all persons residing in student housing associated with four-year educational institutions with an enrollment of 3,000 or more and persons residing in military barracks of each district between January 1 of the prior year and January 1 of the current year if possible, or between the fall school census week of the prior fiscal year and the fall school census week of the current year. Such statements shall be transmitted by May 15.

The Department of Finance may request data from any local agency to be used to prepare the population estimate required by this section. If any local agency fails to supply the requested data, the department is not required to provide an estimate for the school district affected, but may do so using the method deemed most appropriate by the department after first notifying the community college district.

(b) If the total population of a district as currently delineated was within 15 percent of the total population of one or more cities or counties or city and county each of whose population is 50 percent or more within the district as of the most recent federal special or

decennial census or local census carried out under the Department of Finance supervision covering the area in question, it may apply to the Department of Finance for a special estimate of the percentage change in total population of the corresponding area for the past year. The department will prepare the estimate in accordance with the data and methods used pursuant to Section 2227 of the Revenue and Taxation Code and the district may use the estimate in lieu of the estimate prepared under subdivision (a) of this section.

SEC. 34. Section 71 of Chapter 323 of the Statutes of 1976 is amended to read:

Sec. 71. (a) The sum of four million dollars ($4,000,000) is appropriated from the General Fund to Section A of the State School Fund for apportionment by the Superintendent of Public Instruction to school districts which receive only basic aid. Such apportionments shall be computed as follows:

(1) He shall, in the 1976–77 fiscal year, apportion an amount to each district sufficient to equal 80 percent of the foundation program, less one hundred twenty-five dollars ($125), for each unit of its average daily attendance credited to a county-operated regional occupational center or program in the 1976–77 fiscal year, up to the number of units of average daily attendance credited to such program in the 1975–76 fiscal year.

(2) He shall, in the 1977–78 fiscal year, apportion an amount to each district sufficient to equal 40 percent of the foundation program, less one hundred twenty-five dollars ($125), for each unit of its average daily attendance credited to a county-operated regional occupational center or program in the 1977–78 fiscal year, up to the number of units of average daily attendance credited to such program in the 1975–76 fiscal year.

SEC. 35. Section 78 of Chapter 323 of the Statutes of 1976 is amended to read:

Sec. 78. There is hereby appropriated the sum of seven million seventy-two thousand five hundred thirty-six dollars ($7,072,536) in augmentation of Item 321 of the 1976 Budget Act provided that the Department of Education utilize the most recently available data in computing entitlements for the program for the 1976–77 fiscal year and shall allocate entitlements accordingly, and provided further, that no district shall receive less than 100 percent of its entitlement for the 1975–76 fiscal year.

SEC. 36. Section 84 of Chapter 323 of the Statutes of 1976 is amended to read:

Sec. 84. Additional revenues which accrue to school districts because of the enactment of the amendment to Section 6499.232 of the Education Code made by Section 15.1 of this act, or Section 85.5 of this act, shall first be used for bilingual education programs in schools which do not receive state or federal funds for bilingual education programs.

SEC. 37. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to clarify the manner of support of education in high school and unified districts, regional occupational centers and programs, and community colleges provided by Chapter 323 of the Statutes of 1976, and in order that this act will take effect as early as possible in the 1976–77 fiscal year, it is essential that this act take effect immediately.

CHAPTER 992

An act to amend Sections 7459 and 17206 of the Education Code, relating to public schools.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 7459 of the Education Code is amended to read:

7459. A regional occupational center or program established and maintained by a county superintendent of schools or pursuant to a joint powers agreement pursuant to the provisions of Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code shall receive in annual operating funds from each of the participating school districts an amount per unit of average daily attendance equal to the revenue limit received by such districts for each unit of average daily attendance generated in the regional occupational center or program.

Any regional occupational center or program is authorized to (a) budget and accumulate an amount necessary to meet the cash flow needs of the regional occupational center or program known as a general reserve, not to exceed 10 percent of the previous year's expenditures for the operation of the regional occupational center or program and (b) budget and accumulate an amount known as an appropriation for contingencies. The appropriation for contingencies is intended to provide for unforeseen requirements and shall be available for appropriation only after approval by a two-thirds vote of the governing body, and limited to 5 percent of the previous fiscal year's expenditures for the operation of the regional occupational center or program.

General reserves or appropriation for contingencies exceeding the 10-percent or 5-percent limits, respectively, shall be deemed to be excessive regardless of the year accumulated. Accumulated general reserves in excess of the 10-percent limit or appropriation for contingencies in excess of the 5-percent limit shall be returned to the districts participating in the regional occupational center or program

in proportion to the district's contribution to the regional occupational center or program during the previous year. The county superintendent of schools shall subtract from the amount of money necessary to be raised by the district's general purpose taxes, the amount of regional occupational center or program excess general reserve or appropriation for contingencies returned to the district.

Reserves raised from the regional occupational center or program capital outlay special permissive override taxes authorized by Sections 7453 and 7456 are exempt from these percentage limits.

SEC. 2. Section 17206 of the Education Code is amended to read:

17206. Not later than the first day of May of each fiscal year each county superintendent of schools shall provide for an audit of all funds under his jurisdiction and control and the governing board of each district shall either provide for an audit of the books and accounts of the district or make arrangements with the county superintendent of schools having jurisdiction over the district to provide for such auditing. In the event the governing board of a school district has not provided for an audit of the books and accounts of the district by April 1st, the county superintendent of schools having jurisdiction over the district shall provide for the audit.

Each audit shall include all funds of the district including the student body and cafeteria funds and accounts; funds of regional occupational centers and programs maintained by the county superintendent of schools, a school district, or pursuant to a joint powers agreement; and any other funds under the control or jurisdiction of the district.

The cost of the audits provided for by the county superintendent of schools shall be paid from the county school service fund and the county superintendent of schools shall transfer the pro rata share of the cost chargeable to each district from district funds.

The cost of the audit provided for by a governing board shall be paid from district funds. The audit of the funds under the jurisdiction and control of the county superintendent of schools shall be paid from the county school service fund.

The audits shall be made by a certified public accountant or a public accountant, licensed by the State Board of Accountancy. Not later than November 15th, a report of each audit for the preceding fiscal year shall be filed with the county clerk and the county superintendent of schools of the county in which the district is located, the Department of Education and the Department of Finance. The submission date may be extended to, but not later than, December 31 for justifiable cause upon written request by the auditor and approval by the county superintendent of schools. The Superintendent of Public Instruction shall make any adjustments necessary in future apportionments of state funds, to correct any discrepancies revealed by such audit reports under the provisions of Section 17414.

Each county superintendent of schools shall be responsible for the

correction of any discrepancies revealed by audit reports issued pursuant to this section which do not affect state funds and are not corrected by Section 17414 when the discrepancies affect any funds under his control or the control of any school district within his jurisdiction. The county superintendent of schools is authorized to adjust the future local property tax requirements determined by subdivisions (i) and (j) of Section 20905 to correct these audit discrepancies.

If a governing board or county superintendent of schools fails or is unable to make satisfactory arrangements for audit pursuant to this section, the Department of Finance may make arrangements for the audit and the cost of such audit shall be paid from school district funds or the county school service fund as the case may be.

The Department of Finance with the cooperation of the Department of Education shall prescribe the statements and other information to be included in the audit reports filed with the state. The Department of Finance may make such audits, surveys and reports, and may develop suggested procedures for carrying out the purposes of this section, as in the judgment of the department will serve the best interests of the state. Audits of regional occupational centers and programs made pursuant to Section 6505 of the Government Code are subject to the provisions of this section.

Nothing in this section shall be considered as authorizing examination into or report on the curriculum used or provided for in any school district.

SEC. 3. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be any appropriation made by this act because duties, obligations, or responsibilities imposed on local governmental entities by this act are such that related costs are incurred as a part of their normal operating procedures.

CHAPTER 993

An act to add Section 25955.9 to the Health and Safety Code, relating to abortions.

[Approved by Governor September 15, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 25955.9 is added to the Health and Safety Code, to read:

25955.9. The rights to medical treatment of an infant prematurely born alive in the course of an abortion shall be the same as the rights of an infant of similar medical status prematurely born spontaneously.

CHAPTER 994

An act to add Section 1001 to the Civil Code, and to add Section 1245.325 to the Code of Civil Procedure, relating to eminent domain.

[Approved by Governor September 16, 1976. Filed with Secretary of State September 16, 1976.]

The people of the State of California do enact as follows:

SECTION 1. Section 1001 is added to the Civil Code, to read:

1001. (a) As used in this section, "utility service" means water, gas, electric, drainage, sewer, or telephone service.

(b) Any owner of real property may acquire by eminent domain an appurtenant easement to provide utility service to the owner's property.

(c) In lieu of the requirements of Section 1240.030 of the Code of Civil Procedure, the power of eminent domain may be exercised to acquire an appurtenant easement under this section only if all of the following are established:

(1) There is a great necessity for the taking.

(2) The location of the easement affords the most reasonable service to the property to which it is appurtenant, consistent with the least damage to the burdened property.

(3) The hardship to the owner of the appurtenant property, if the taking is not permitted, clearly outweighs any hardship to the owner of the burdened property.

SEC. 2. Section 1245.325 is added to the Code of Civil Procedure, to read:

1245.325. Where an owner of real property seeks to acquire an appurtenant easement by eminent domain pursuant to Section 1001 of the Civil Code:

(a) The person seeking to exercise the power of eminent domain shall be deemed to be a "quasi-public entity" for the purposes of this article.

(b) In lieu of the requirements of subdivision (c) of Section 1245.340, the resolution required by this article shall contain a declaration that the legislative body has found and determined each of the following:

(1) There is a great necessity for the taking.

(2) The location of the easement affords the most reasonable service to the property to which it is appurtenant, consistent with the least damage to the burdened property.

(3) The hardship to the owner of the appurtenant property, if the taking is not permitted, clearly outweighs any hardship to the owner of the burdened property.